



FINAL BUDGET 2017

JANUARY 2017

FOR OUR RESIDENTS AND COUNCIL

The City of Lloydminster supports residents and businesses in building and sustaining a world class community through strategic, responsible planning and sound fiscal policy.

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Budget Highlights

The City of Lloydminster (the “City”) aims to meet the needs of its current and future residents through responsible, strategic, and sound fiscal planning. Strong financial management is the foundation of all City services, and for that reason the City has identified the achievement of a “Healthy Financial Position” as a strategic priority in its 2015-2017 Strategic Plan.

On October 17th, 2016, Council was presented with 2017 Draft Budget #1, which identified an operating deficit of \$10.5 million inclusive of \$4.6 million in deficit reduction strategies. In the weeks that followed, the City considered various strategies for addressing the shortfall. On November 28th, 2016, a second draft budget was presented to Council for information. 2017 Draft Budget #2 included a larger suite of strategies that reduced the deficit to \$594,651.

PROPOSED DEFICIT REDUCTION STRATEGIES

Alive to the scale of the fiscal challenges for 2017, the City approached the development of the Final Budget with a mindset of funding needs versus wants and a renewed commitment to ensuring that all items were being accounted for correctly. Through these efforts, the City has been able to reduce the operating deficit by \$4.8 million which is largely attributable to greater scrutiny of requests for growth, and new assets in 2017 and an adjustment that was made in land development operating expenses that more accurately reflects the accounting requirements for costs of goods sold.

Administration has incorporated the following deficit reduction strategies:

STRATEGIES TO REDUCE COSTS	STRATEGIES TO INCREASE REVENUES
↓ Reduce operational costs/ expenditures (\$1.8 million)	↑ Sell assets (\$3 million)
↓ Reduce funding for equipment (\$1 million)	↑ Increase Municipal Levy (\$900,000)
↓ Bring Lloydminster Economic Development Corporation In-House (\$300,000)	↑ Adjust fees and charges (\$2.1 million)
	↑ Improve business practices (\$1.1 million)
TOTAL COST SAVINGS: \$3.1 MILLION	TOTAL REVENUE INCREASES: \$7.1 MILLION



2017 FINAL BUDGET

The 2017 Final Budget, which incorporates all of the deficit reduction strategies noted above, as well as other cost-saving measures, results in a balanced budget for the City.

2017 FINAL BUDGET

Revenues	\$78,967,474
Expenses	\$78,967,474

SURPLUS (DEFICIT)	\$0
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CAPITAL BUDGET

In 2017, the City anticipates spending \$21.8 million on capital. Major capital expenditures are:

- Automation of water meter reading - \$1.8 million
- Expansion of the landfill - \$3 million
- Capital replacement - \$2 million for the Annual Water & Sewer Replacement Program and \$3 million for the Annual Street Improvement Program.

PART 1 Introduction

1.1 Strategic Priorities & Key Principles

The City's Strategic Plan established four key priorities over the 2015-2017 planning horizon: **Strong Relationships**, **Vibrant City**, **Sustainable Infrastructure** and **Healthy Financial Position**. The City has strived to implement the priorities and objectives of the Strategic Plan through the annual budgeting process. However, given the City's current financial challenges, there has been a much greater emphasis on ensuring a Healthy Financial Position during the development of this budget.

Indeed, there is a 'call to action' within the City to improve its financial management. A call to ensure the 2017 budget is responsive to the current economic climate while at the same time ensuring, to the greatest extent possible, that the City continues to provide the level of service that the citizens of Lloydminster have come to expect.

Moreover, a process has been developed to modernize financial management at the City of Lloydminster by building capacity in five core areas: Policies; Processes; Tools; Information and Communications; and People. See **Appendix C** for more details on this initiative.

The budget has been developed according to six key principles, as follows:

1. OPERATING BUDGET IS BALANCED AND FISCALLY RESPONSIBLE
2. ADHERING TO COUNCIL PRIORITIES AND ALIGNMENT WITH THE STRATEGIC PLAN
3. DEVELOPING COST-RECOVERY STRATEGIES
4. ESSENTIAL SERVICES RECEIVE FIRST PRIORITY
5. PRESENTING A BUDGET INCLUSIVE OF IMPROVED FISCAL INITIATIVES
6. BEYOND 2017, DEVELOPING A MULTI-YEAR BUDGET PLAN, ENSURING FUTURE SUSTAINABILITY AND ENHANCED LONG-TERM FISCAL PLANNING



STRATEGIC PLAN (2015-2017)

VISION

A world class community with unlimited opportunity.

MISSION

For the community and our neighbours, we provide the highest quality of services through communication, innovation and dedication.

VALUES

Respect
Integrity
Trust
Commitment
Accountability

STRATEGIC PRIORITIES

1 Strong Relationships

2 Vibrant City

3 Sustainable Infrastructure

4 Healthy Financial Position

STRATEGIC OBJECTIVES

1.1 Seamless City

1.2 Building Partnerships

1.3 Engaged Inclusive Community

1.4 Clear Communication

1.5 Our People

2.1 Promote Culture

2.2 Safe Community

2.3 Thriving Neighbourhoods

2.4 Aesthetically Pleasing

2.5 Destination to Host Events

3.1 Transportation Systems

3.2 Facilities

3.3 Enhanced Technology

3.4 Environmental

3.5 Utility Systems

4.1 Increase Revenue

4.2 Adequate Reserve Levels

4.3 Long Term Budgeting

4.4 Effective Utilization of Operational Resources



CALL TO ACTION

1.2 Budget Timeline

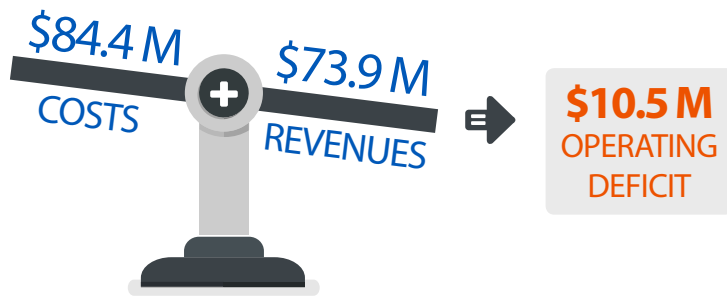
2017 Draft Budget #1 was presented to Council in mid October and showed a deficit of \$10.5 million. Following that presentation, the City engaged the public to obtain residents' input on the draft budget. On November 28th, Council was presented with the second draft of the budget, which included a more complete package of deficit reduction strategies that brought the deficit down to \$594,651. The Final 2017 Budget was presented to Council on December 12, 2016 for approval and was deferred by Council to a meeting in January, 2017.



PART 2 Developing the Budget

2.1 Projected Deficit

On October 17th, 2016, Council was presented with 2017 Draft Budget #1. This budget projected:



2017 Draft Budget #1 included limited budget deficit reduction strategies totaling \$4.6 million. These strategies included updating user fees, bringing the Lloydminster Economic Development Corporation in-house, selling select assets, and reducing transfers to the equipment reserve. Even with these strategies in place, the budget still yielded a **deficit of \$10.5 million**.

2.2 Current Challenges

The City faced an operating deficit due to a multitude of factors. Some of these factors relate to the recent downturn in the local economy, which has significantly affected the City's ability to generate revenue through land development. Other factors are more closely linked to the City's internal financial management approach.

The following past financial practices have now created significant challenges for the City:

- Using Land Development Net Revenue for general operations
- Using Utilities Net Revenue for general operations
- Using Capital Levy Revenue to fund operations

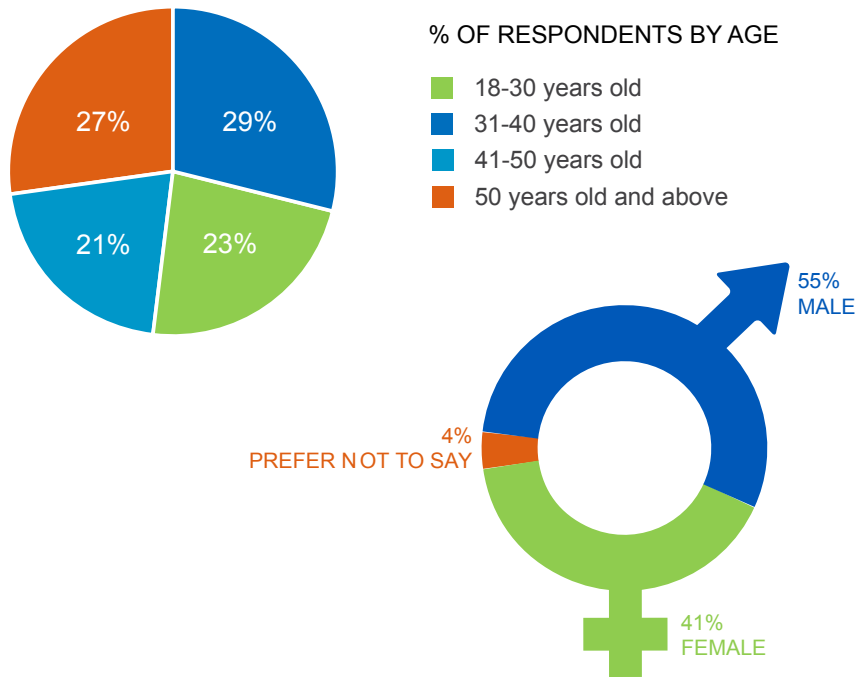
The City recognizes a need to improve its financial management practices in order to ensure long-term financial sustainability of City services. The 2017 budget process is the City's first opportunity to begin to address these various challenges. Further information on historical financial trends are included in **Appendix D**.

2.3 What We Heard From Residents

Through the 2017 Municipal Budget process, the City engaged residents to complete a brief survey. The survey results were provided to inform Council as to resident feedback, aiding in the decision-making process as it pertains to establishing the 2017 Budget.

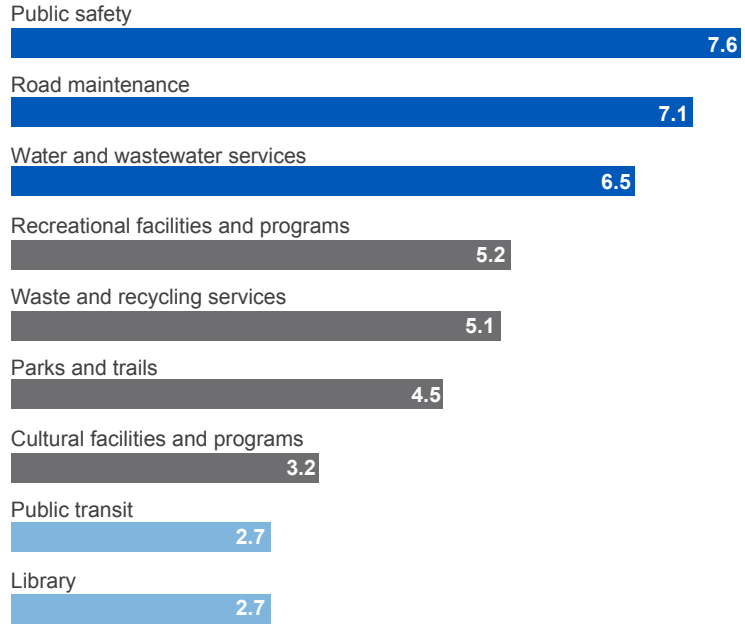
The survey opened on October 17th, 2016 and closed on November 13, 2016. In total, 1,065 responses were received, nearly double the responses received in previous years.

From a baseline perspective, responses received were aligned with the current demographics of the City. The results below are indicative of increased engagement with the dominant demographics in the City of Lloydminster.




1. Thinking about City budgeting priorities, rank the following City services by importance to you:

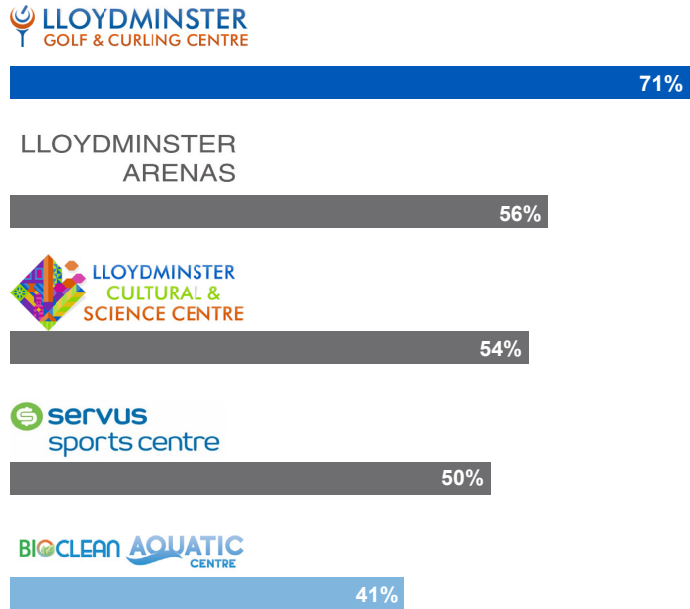
(1=least | 9=Most)



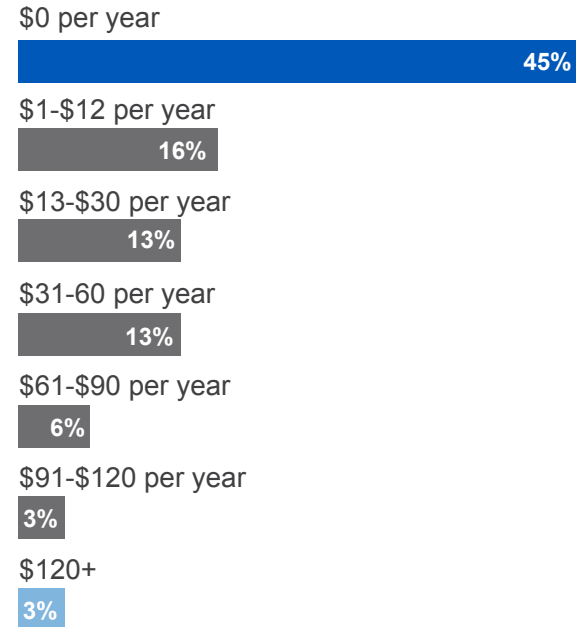
2. Rank the services below according to which service levels should be reduced first, second and third.

 **Parks and Green Space** was the first choice for service level reductions, followed by Roads second, and Public Safety third.

3. Based on the 2017 Draft Budget, which facilities should increase user fees to enhance cost recovery?

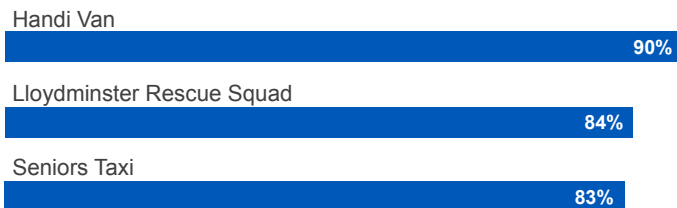


5. What level of subsidy would you support for a made-in-Lloydminster transit system?

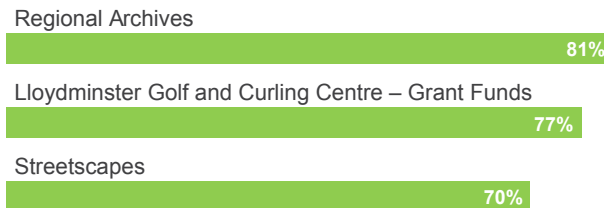


4. Which City-funded community organization would you decrease or maintain current funding levels?

MAINTAIN



DECREASE



PART 3 Proposed Deficit Reduction Strategies

3.1 Addressing a Budget Deficit

Budget deficits can only be eliminated by 1) increasing revenue or 2) decreasing costs. Given a projected budget deficit of \$10.5 million in Draft 2017 Budget #1, the City of Lloydminster faced these fundamental questions:



What are our best options for **increasing revenues**?

What are our best options for **decreasing costs**?

Like all municipalities, the City controls a number of “financial levers” on both the revenue and cost sides of the budget equation. For example, on the revenue side municipalities choose to:

- Increase property taxes
- Sell assets
- Raise fees and charges
- Borrow
- Draw down reserves

On the cost side, municipalities can:

- Eliminate or reduce services
- Defer maintenance

Each lever affects the community in different ways – for instance, raising taxes would have a very different impact on residents than would eliminating services, but both strategies could result in a balanced budget.

To help choose the optimal deficit reduction strategy, options must be evaluated in terms of their impact on:

CURRENT FINANCES

How much money is this going to generate or save?

CURRENT LEVELS OF SERVICE

How will this change service provision?

RISKS TO FUTURE FINANCIAL SUSTAINABILITY

How will the City’s future finances be affected?

RISKS TO FUTURE LEVELS OF SERVICE

How will service provision in the future be affected?

The proposed deficit reductions strategies have been assessed against these criteria to ensure optimal results for the City in 2017 and beyond.



3.2 Proposed Strategies

Responding to the ‘call to action’ to improve our financial management following Draft Budget #1, the City undertook a more thorough examination of key budget inputs with an emphasis on paring back spending requests, managing growth-related requests and ensuring that all financial calculations were accurate. In doing so, the City was able to reduce the operating deficit by \$4.8 million without impacting levels of service for the citizens of Lloydminster.

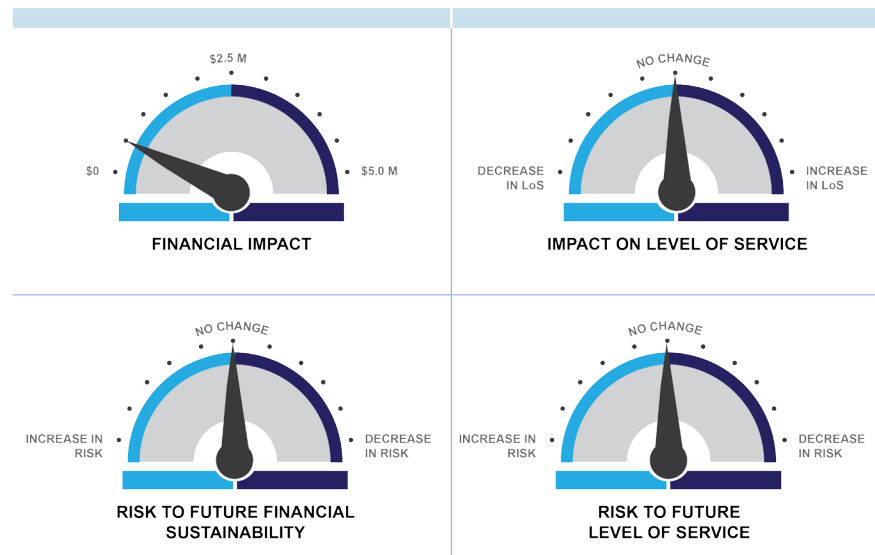
The City is also proposing a number of strategies to either reduce City costs or increase revenues. Some of these strategies were included in Draft Budget #1 (\$4.6 million) while others are new to the Final Budget (\$5.6 million). In total, these strategies are expected to reduce the City’s operating deficit by \$10.4 million for 2017. As shown in the consolidated financial summary in **Section 4.1**, these strategies balance the budget.

Further details on each strategy are detailed below.

STRATEGIES TO REDUCE COSTS	STRATEGIES TO INCREASE REVENUES
<ul style="list-style-type: none"> ↓ Reduce operational costs/ expenditures (\$1.8 million) ↓ Reduce funding for equipment (\$1 million) ↓ Bring Lloydminster Economic Development Corporation In-House (\$300,000) 	<ul style="list-style-type: none"> ↑ Sell assets (\$3 million) ↑ Increase Municipal Levy (\$900,000) ↑ Adjust fees and charges (\$2.1 million) ↑ Improve business practices (\$1.1 million)
TOTAL COST SAVINGS: \$3.1 MILLION	TOTAL REVENUE INCREASES: \$7.1 MILLION

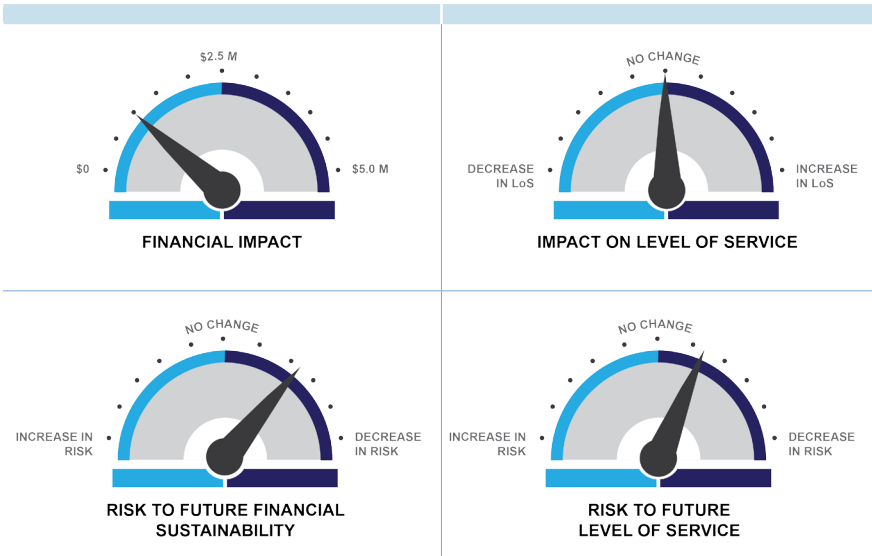
DEFICIT REDUCTION STRATEGY #1: BRING LEDC IN-HOUSE

By bringing the Lloydminster Economic Development Corporation (LEDC) in-house, the City will realize greater control of costs, and in doing so will improve transparency and accountability. It is envisioned that this will also promote greater synergies within the organization as it relates to advancing economic development priorities. Approximately \$300,000 in expenses will be saved in 2017. In future years, the need for additional investments in economic development will be informed through the development of a business case.



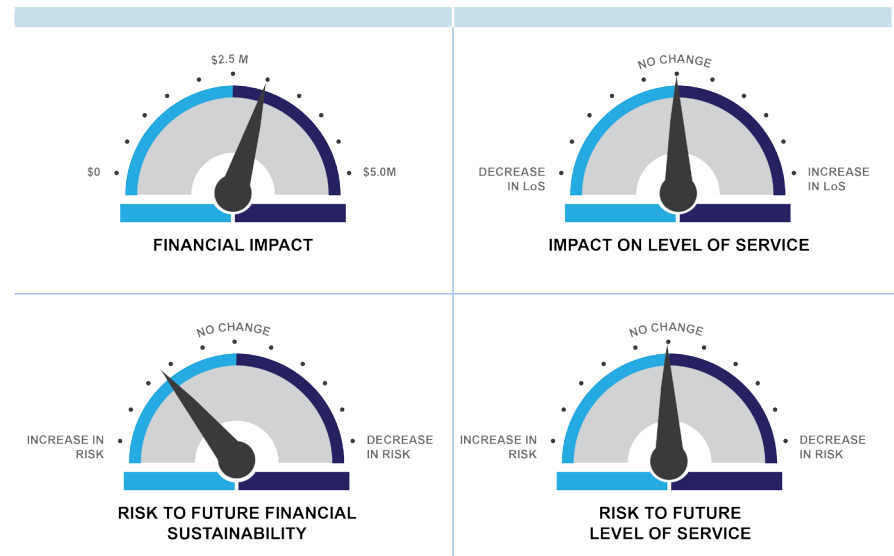
**DEFICIT REDUCTION STRATEGY #2:
INCREASE THE MUNICIPAL LEVY**

Over the past 9 years, the City’s expenses have risen by 129%, while its Municipal Levy has increased by only 99%. From 2007 to 2016, service levels have increased; however, the associated increase in expense has not been consistently supported by a mill rate increase. Rather, the increase in expense has been supported by other less sustainable revenue sources, primarily utilities and land development, which have been used to fund general operations – this has resulted in artificially low tax rates. To both help address the current deficit and improve long-term financial sustainability, the City proposes increasing property taxes by 4%. As the City has relatively low taxes compared to other municipalities in the region, this increase would bring the City’s Municipal Levy more in line with practices in other communities. This would generate \$911,000 in additional revenue in 2017. More stable funding will help ensure the City can meet the needs of its residents today and well into the future.



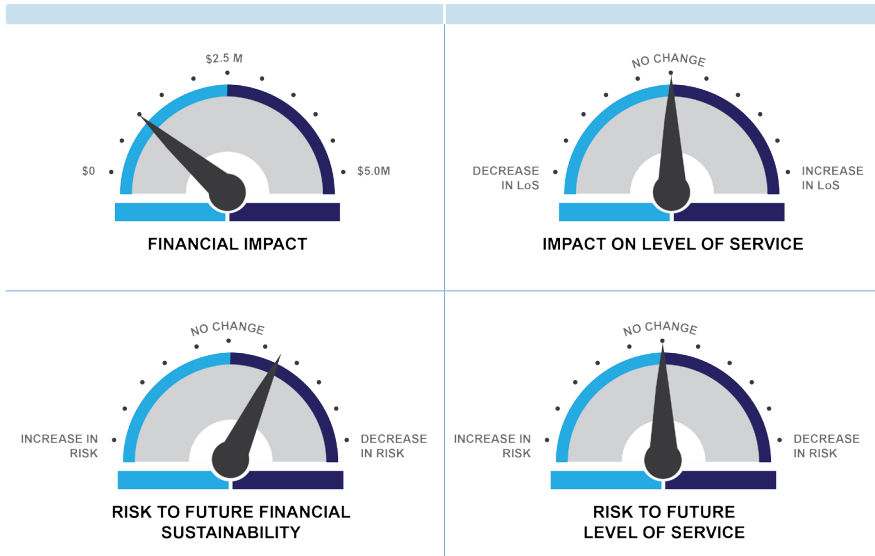
**DEFICIT REDUCTION STRATEGY #3:
SELL ASSETS**

The sale of existing assets would contribute to a positive financial impact in the near term, without compromising level of service. The assets being considered for sale generally consist of leased lands, vacant lots and buildings. This would generate approximately \$2,983,000 in new revenue for 2017. However, this strategy does present some risk in terms of lost revenue or development potential in future years.



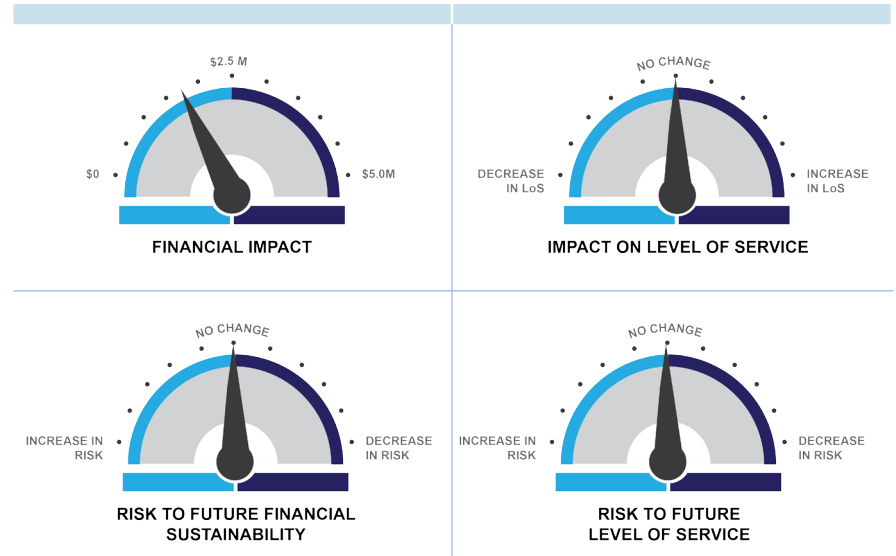
**DEFICIT REDUCTION STRATEGY #4:
IMPROVE BUSINESS PRACTICES**

The City recognizes the opportunity to improve various internal business practices that would result in either cost savings or new revenue. These improved practices would have a net positive financial impact of approximately \$1,086,258 in 2017. These business practices are expected to improve the City's future financial sustainability and will not impact levels of service.



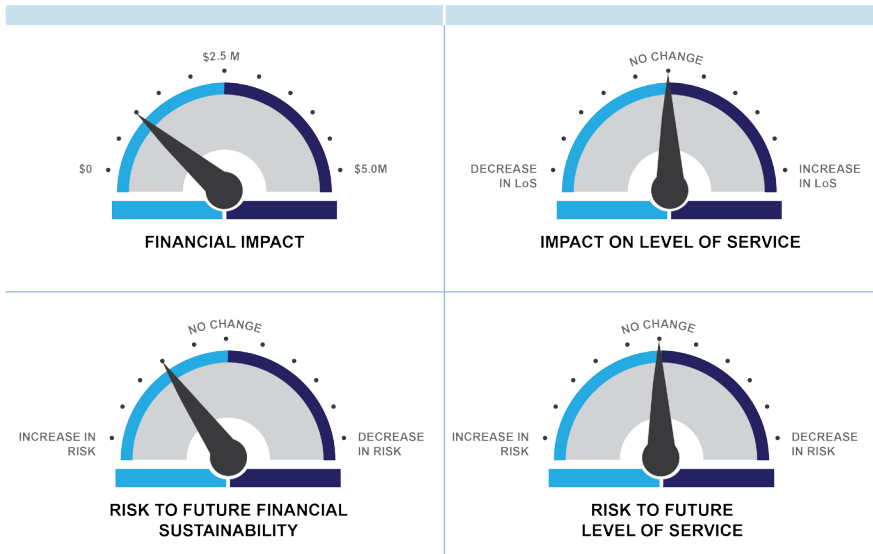
**DEFICIT REDUCTION STRATEGY #5:
REDUCE OPERATIONAL COSTS/EXPENDITURES**

The City has explored several options to reduce operational costs/ expenditures. All Departments and Divisions within the City have been engaged to develop business plans focused on operational efficiencies, including reductions to expenditures. This would save the City approximately \$1,738,000 in 2017. The strategies included represent a net zero impact to service levels.



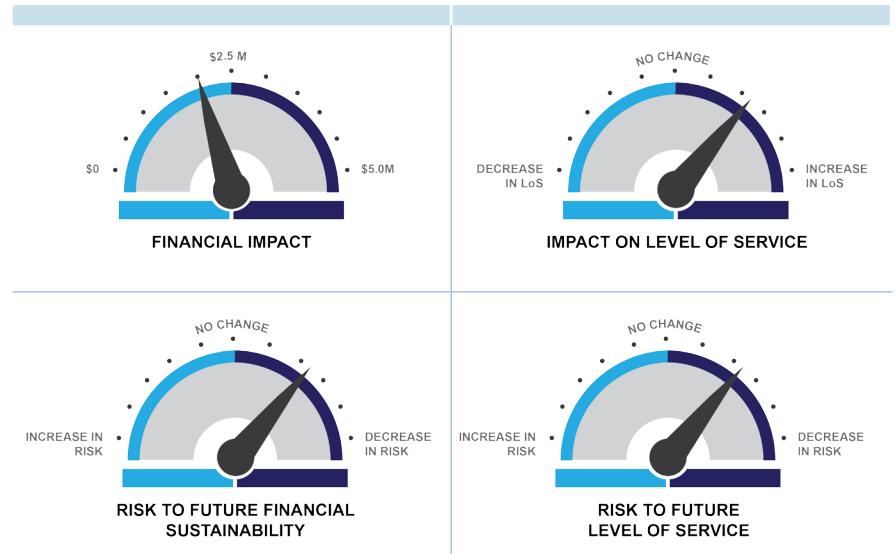
**DEFICIT REDUCTION STRATEGY #6:
REDUCE FUNDING FOR EQUIPMENT**

Every year the City transfers money from the City’s reserves to a dedicated fund for the purchase of new equipment. In 2017, this amount will be reduced from \$1,500,000 to \$484,429, which represents a savings of \$1,015,571. While impacts to level of service are not expected in the near or longer terms, this strategy may have a minor impact on the City’s future financial position as the needs for equipment renewal and replacement are ongoing.



**DEFICIT REDUCTION STRATEGY #7:
ADJUST FEES AND CHARGES**

The City employs a variety of fees and charges to recover costs associated with providing a particular service. These services can include operating recreational, and cultural facilities as well as providing reliable water, wastewater and stormwater service. The City has explored options to increase fees and charges specifically in the areas of recreational facility user fees, permit fees and a user pay model for the City’s stormwater infrastructure - generating approximately \$2,124,378 in new revenue for 2017. The strategies are expected to improve service levels, both now and in the future, and also reduce risk to the future financial stability of the City.



PART 4 Proposed 2017 Final Budget

4.1 Consolidated Financial Summary

The consolidated financial budget is shown on the following page. The 2017 Final Budget shows a balanced budget, a substantial improvement over Draft Budget #1, which showed a deficit of \$10.5 million. This final budget includes \$5.6 million in new deficit reduction strategies plus an additional \$4.8 million in savings that the City identified following Draft Budget #1. This represents a total of \$10.6 million in new reductions to the deficit following Draft Budget #1 (Note: the Final Budget identified an additional \$102,000 of operating expenses that were not included in Draft Budget #2). Cash and accrual based budget tables are included in [Appendix F](#). A summary of revenue by type and expenditures by service is included in [Appendix G](#).

Of note, the Final Budget includes a Capital Levy of \$4.4 million, requiring Council to approve an amendment to the allowable Capital Levy limit. To recoup the same Capital Levy total as collected in 2016, the maximum allowable percentage must be increased from 10% to 25%. Increasing the maximum allowable percentage will generate the funding to support the 2017 Operating Budget. The City's current financial position requires use of the Capital Levy to support short-term financial planning to subsidize the forecasted deficit.

In 2016, Capital Grants were recognized as operating revenue. This is not a best practice and the City is working to improve accounting practices.



GENERAL OPERATING BUDGET	2016 BUDGET	2017 DRAFT 1 (OCTOBER)	2017 DRAFT 2 (NOVEMBER)	2017 FINAL DRAFT (JANUARY)
REVENUES				
Franchise Fees	\$4,950,508	\$5,281,957	\$5,281,957	\$5,281,957
Investment	\$105,900	\$230,900	\$230,900	\$230,900
Licenses and Permits	\$1,737,000	\$881,500	\$925,250	\$1,225,250
Operating Grant	\$4,305,840	\$3,910,839	\$3,853,839	\$3,776,839
Fine Revenue	\$2,057,500	\$2,159,700	\$2,299,700	\$2,299,700
User Fees and Sale of Goods	\$10,129,398	\$10,116,943	\$10,272,571	\$10,280,571
Reserve Transfers	-	-	-	\$688,135*
<i>Operating Revenues (excluding land development and utilities)</i>	\$23,286,146	\$22,581,839	\$22,864,217	\$23,783,352
Utility (water and sewer)	\$18,519,354	\$17,523,186	\$17,523,186	\$17,523,186
Land Development Revenue	\$9,509,445	\$4,482,578	\$7,465,578	\$7,465,578
Stormwater User Fees	-	\$2,000,000	\$2,000,000	\$2,000,000
<i>Total Operating Revenues</i>	\$51,314,945	\$46,587,603	\$49,852,981	\$50,772,116
Municipal Levy	\$22,859,572	\$22,859,572	\$23,767,572	\$23,770,572
Capital Levy**	\$4,424,786	\$4,424,786	\$4,424,786	\$4,424,786
TOTAL REVENUE	\$78,599,303	\$73,871,961	\$78,045,339	\$78,967,474
EXPENSES				
Debt Payments - General	\$915,209	\$912,011	\$912,011	\$912,011
Operating Expenses	\$50,779,619	\$48,801,208	\$45,035,217	\$45,617,426
Transfers to City Funded Community Groups	\$2,235,158	\$1,610,158	\$1,490,158	\$1,298,158
Depreciation - General Operations	\$14,833,629	\$14,857,244	\$14,857,244	\$14,857,244
Reserve Transfers	\$1,150,018	\$2,252,600	\$2,237,429	\$2,237,429
GENERAL OPERATIONS EXPENSES AND TRANSFERS	\$69,913,633	\$68,433,221	\$64,532,059	\$64,922,268
Total Expenses - General Operations	\$69,913,633	\$68,433,221	\$64,532,059	\$64,922,268
Total Operating Expenses - Land Development	\$2,239,218	\$2,454,239	\$1,189,448	\$1,186,703
Total Depreciation - Land Development	\$9,804	\$10,055	\$10,055	\$10,055
Total Operating Expenses - Utilities	\$6,941,433	\$6,218,488	\$5,710,230	\$5,659,473
Total Stormwater Expenses	-	\$1,942,598	\$1,905,062	\$1,895,839
Total Depreciation - Utilities	\$5,251,371	\$5,293,136	\$5,293,136	\$5,293,136
TOTAL EXPENSES BY DIVISION	\$84,355,459	\$84,351,737	\$78,639,990	\$78,967,474
BUDGET SURPLUS (DEFICIT)	-\$5,756,156***	-\$10,479,776	-\$594,651	\$0

* Internal operational transfer from a reserve

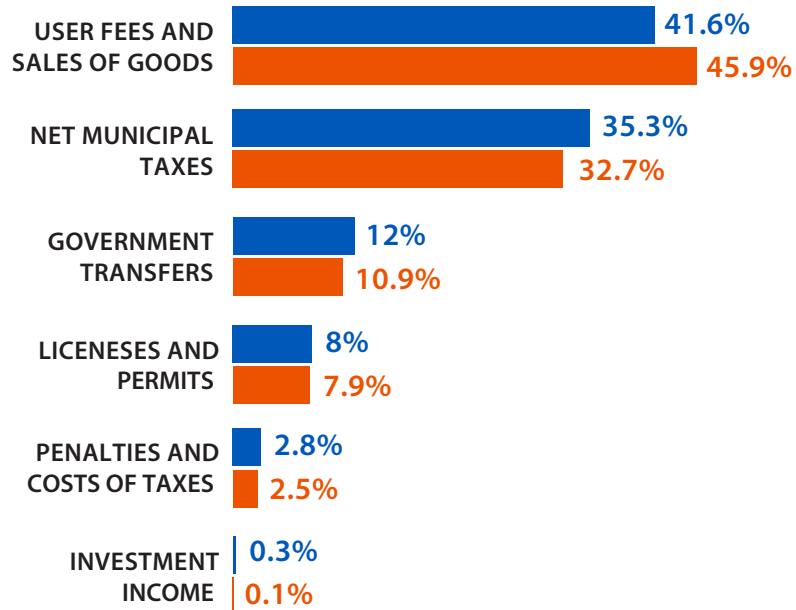
** See commentary on page 14

*** Deficit covered by capital grant revenues



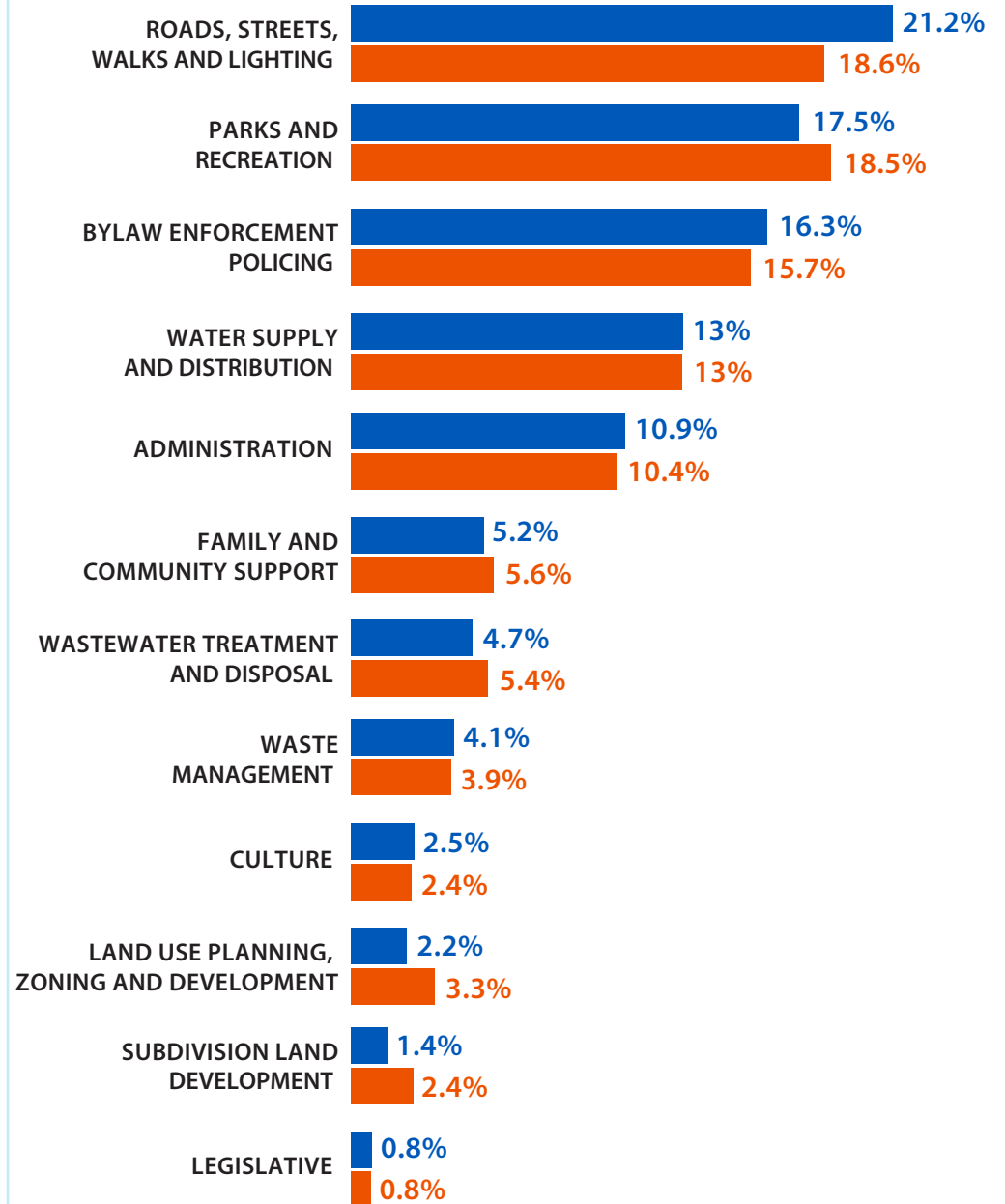
4.2 Where Money Comes From & Where It Goes

CITY REVENUE



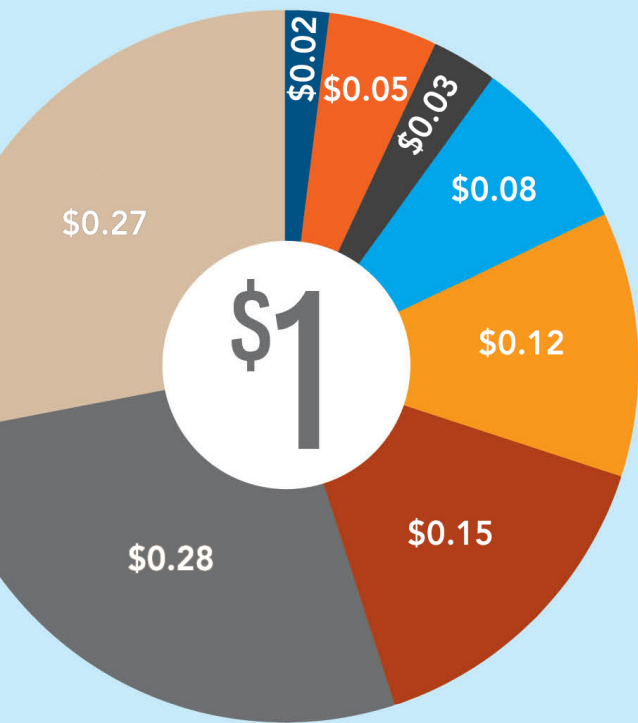
■ 2017 BUDGET
■ 2016 BUDGET

CITY EXPENDITURES



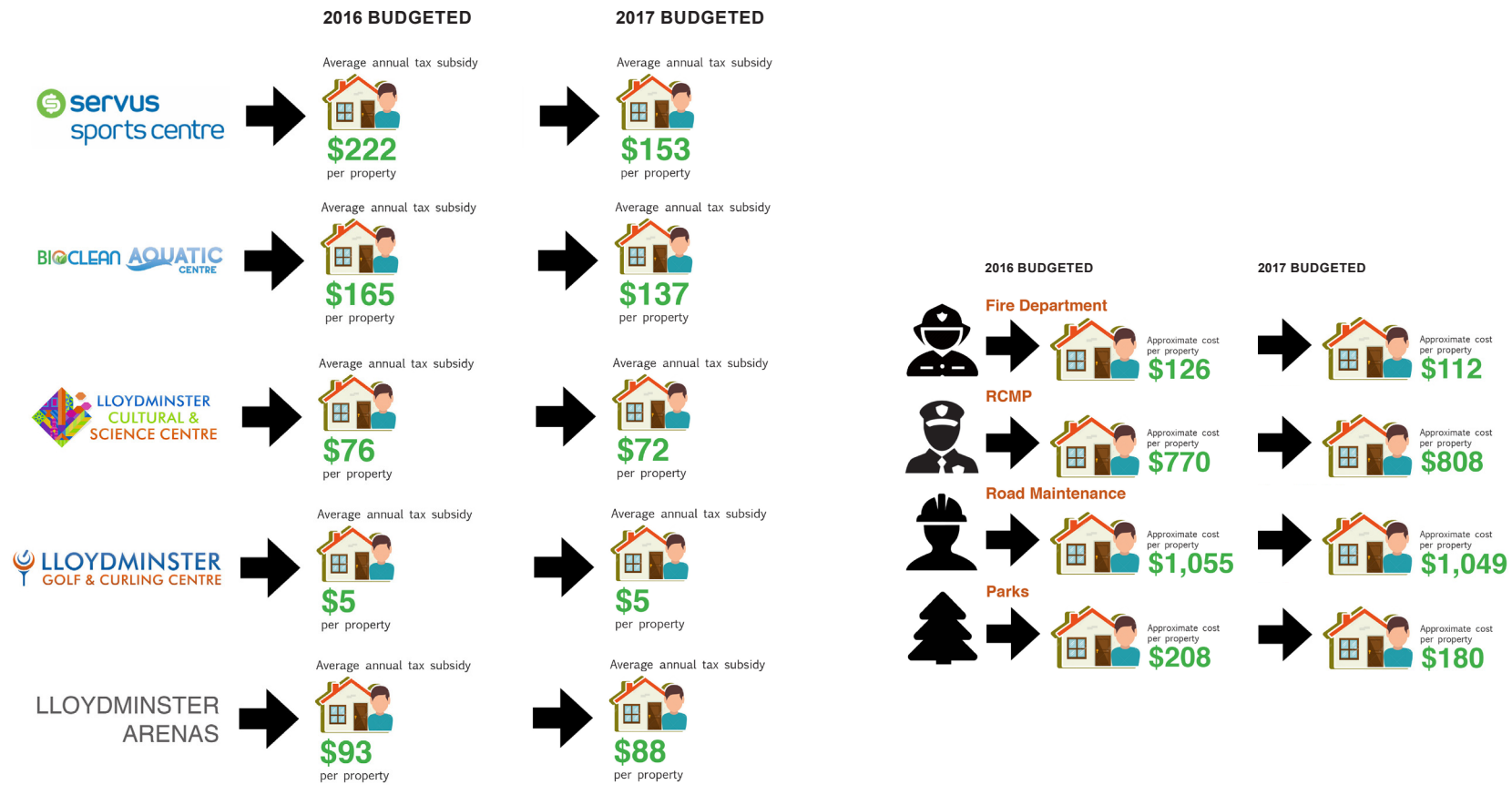
4.3 Your Taxes at Work

2017 BREAKDOWN OF MUNICIPAL TAXES



4.4 Subsidies and Cost of Services

The City of Lloydminster currently subsidizes the following facilities:



4.5 Capital Budget

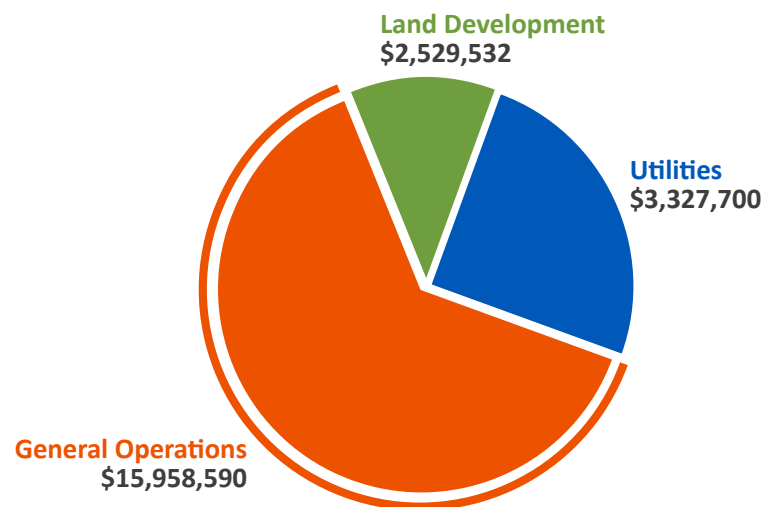
	2016 BUDGET	2017 DRAFT #1 (OCTOBER)	2017 DRAFT #2 (NOVEMBER)	2017 FINAL (JANUARY)
FUNDING SOURCES - CAPITAL				
Capital Grants	\$5,031,015	\$6,214,750	\$6,182,400	\$6,188,540
Transfers from Capital Reserves	\$3,765,300	\$1,752,600	\$1,752,600	\$1,752,600
Transfers from Capital Grant Reserves	-	-	\$1,161,978	\$1,337,410
Land Sales	-	-	\$776,932	\$776,932
Total Depreciation	\$20,094,804	\$20,160,435	\$20,160,435	\$20,160,435
Borrowing	\$4,593,346	-	-	-
Total Funding - Capital	\$33,483,465	\$28,127,785	\$30,034,345	\$30,215,917
CAPITAL PROJECTS (EXPENSES)				
Projects Allocated to Grants	\$5,031,015	\$6,214,750	\$6,182,400	\$6,188,540
Projects Allocated to Capital Reserves	\$3,765,300	\$1,752,600	\$1,752,600	\$1,752,600
Projects Allocated to Capital Grant Reserves	-	-	\$1,161,978	\$1,337,410
Projects Allocated to Land Sales	-	-	\$776,932	\$776,932
Projects Allocated to Borrowing	\$4,593,346	-	-	-
Projects Allocated to Depreciation - General Operations	\$12,686,351	\$12,186,840	\$11,805,340	\$11,760,340
Total Funding - Capital	\$26,075,012	\$20,154,190	\$21,679,250	\$21,815,822
Funds Transferred to Operations	-\$5,756,156	\$0	\$0	\$0
Funds Transferred to Capital Asset Replacement Reserve	\$1,652,297	\$7,973,595	\$8,355,095	\$8,400,095
Funds Used for Debt Principle and Interest	\$0	\$0	-\$3,200,774	-\$3,194,511
Funds Transferred to Capital Asset Replacement Reserve (net of debt payments)	\$1,652,297	\$7,973,595	\$5,154,321	\$5,205,584

This chart does not include the North/South Corridor (\$29M) and the Mechanical Wastewater Treatment Plant (\$80 million).

In 2017 the City is proposing approximately \$4.8 million for two major capital initiatives. These include automation of water meter reading which, in conjunction with our new financial system will enable the City to move to monthly utility billing. There is also a proposed project of an additional cell at the landfill.

The Capital Budget also demonstrates the City's continued commitment to replacing aging infrastructure. In the 2017 Draft Budget the City has allocated \$2 million for Annual Water & Sewer Replacement Program and \$3 million for Annual Street Improvement Program. Furthermore, the budget provides \$5.2 million of transfers to the Capital Asset Replacement Reserve to fund future asset renewal projects. See **Appendix E** for further information on the City's policy initiative on capital asset replacement.

2017 CAPITAL BUDGET

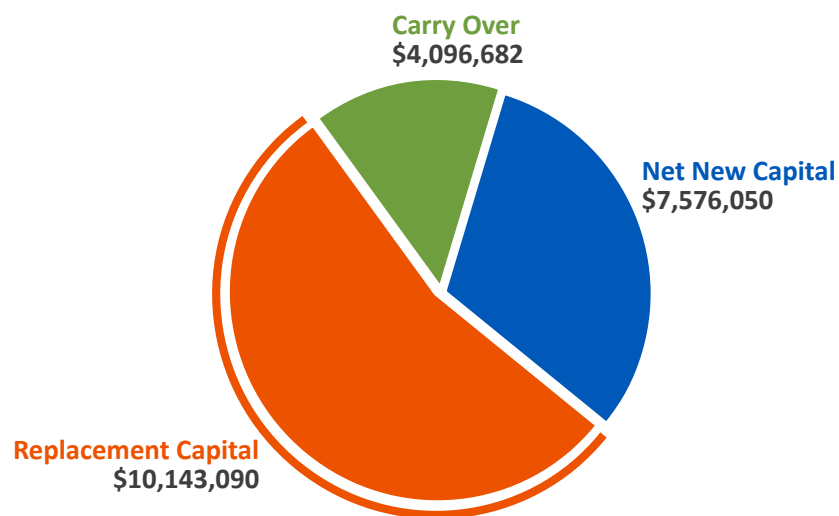


2017 CAPITAL PROJECTS SUMMARY

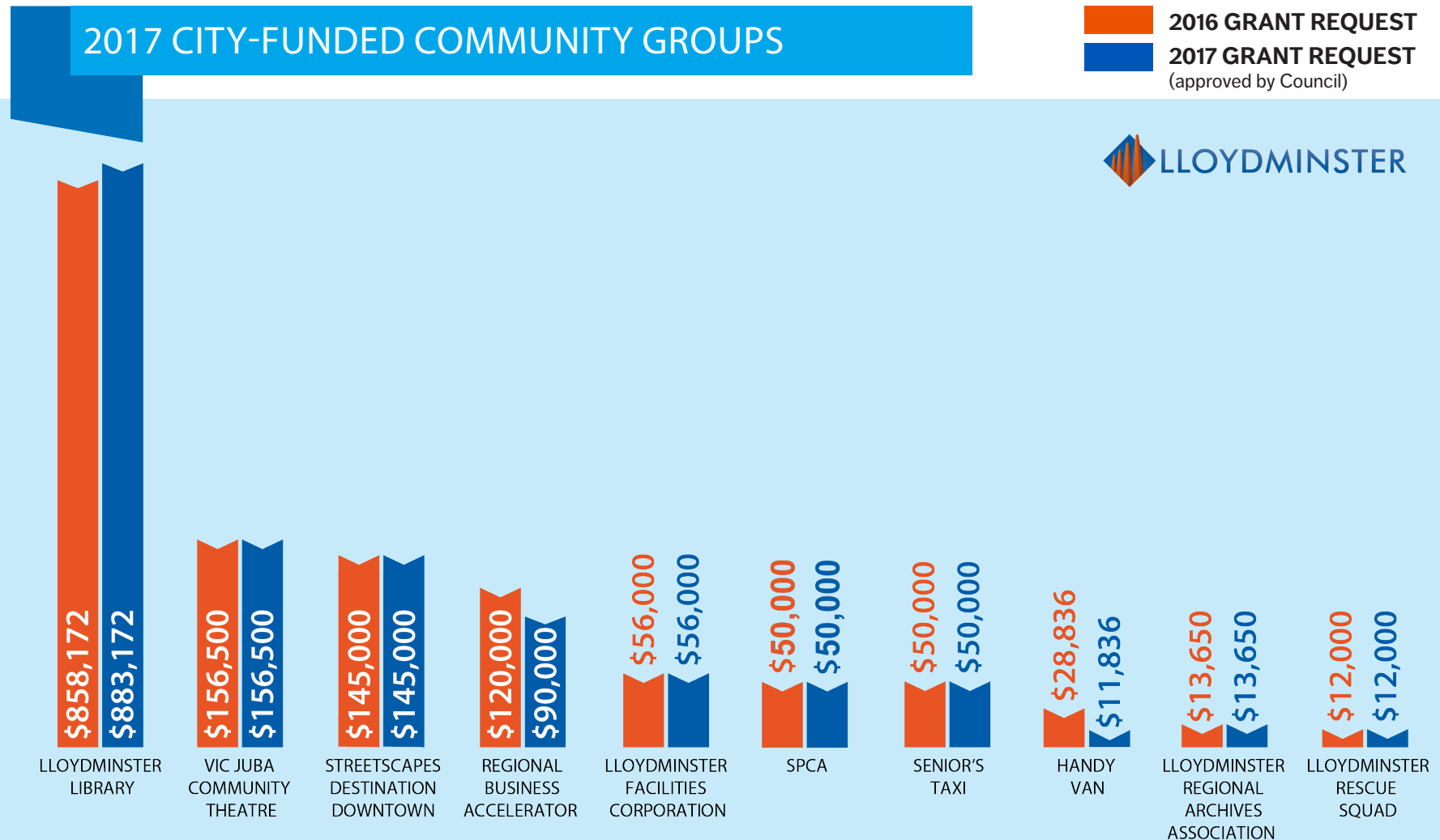
Buildings	\$3,320,250
Land	-
Land Development	\$2,529,532
Transportation	\$4,119,000
Utilities and Infrastructure	\$5,600,000
Parks, Recreation and Cultural Facilities	\$1,909,550
Equipment	\$4,337,490

TOTAL	\$21,815,822
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2017 CAPITAL PROJECTS - \$21,815,822



4.6 Third Party Funding Requests



- The Regional Business Accelerator has been approved for \$7,331 for rent in lieu of cash in 2017.
- Interval Home Society has requested \$1.6 million for three City lots; this is not included in the 2017 Budget and the value is subject to a market appraisal.



4.7 Upcoming Capital Requirements

LANDFILL CELL

The Waste Management Facility Plan identifies that the current cell will reach capacity sometime in early 2018. This project will design and construct a new cell with a capacity to last an estimated 4 years. This new cell will also be designed to be expanded giving an additional 4 years of capacity.

TOWER METER READS

The AMI (Advanced Metering Infrastructure) Project is to install tower(s) within the City and install radios on each water meter. The radios will transmit meter readings daily to the towers and the daily meter readings will be directly available to staff. The new technology will make the change to monthly utility billing much easier and with less manual effort. This new system, with daily meter readings, will assist in mid-month customer changes from move-ins and move-outs. Efficiency in meter reading and improved data will result in improved customer service.

WASTEWATER TREATMENT PLANT

A new wastewater treatment plant is required for the City of Lloydminster to comply with the Saskatchewan Water Security Agency's effluent water quality requirements, which take effect July 2017. Administration continues to engage federal and provincial leaders on the City's water and wastewater infrastructure needs and are actively pursuing funding opportunities. More recently, the City has initiated a competitive procurement process to engage an Owner's Engineer to facilitate delivery of the \$80 million Wastewater Treatment Plant upgrade.



Detailed Operating Budget

City Manager

Council

	2017 Budget	2016 Budget	Change	Variance
Revenue				
Revenue	0	0	0	0.00%
Total Revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>
Expenses				
Contracted Services	276,086	270,778	5,308	1.96%
Salaries, Waqes and Benefits	476,888	524,983	-48,095	-9.16%
Utilities	3,500	3,500	0	0.00%
Total Expenses	<u>756,474</u>	<u>799,261</u>	<u>-42,787</u>	<u>-5.35%</u>
Net Cost	<u>-756,474</u>	<u>-799,261</u>	<u>42,787</u>	<u>-5.35%</u>

Legislative Services

	2017 Budget	2016 Budget	Change	Variance
Revenue				
Revenue	0	0	0	0.00%
Total Revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>
Expenses				
Contracted Services	427,737	183,078	244,659	133.64%
Materials and Supplies	1,500	1,500	0	0.00%
Salaries, Waqes and Benefits	264,252	310,770	-46,518	-14.97%
Utilities	2,200	2,200	0	0.00%
Total Expenses	<u>695,689</u>	<u>497,548</u>	<u>198,142</u>	<u>39.82%</u>
Net Cost	<u>-695,689</u>	<u>-497,548</u>	<u>-198,142</u>	<u>39.82%</u>

Engineering

	2017 Budget	2016 Budget	Change	Variance
Revenue				
Revenue	0	0	0	0.00%
Total Revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>
Expenses				
Contracted Services	569,465	517,668	51,798	10.01%
City Owned Equipment Use	21,500	85,000	-63,500	-74.71%
Depreciation	128,831	128,831	0	0.00%
Materials and Supplies	4,000	12,500	-8,500	-68.00%
Salaries, Waqes and Benefits	559,401	1,419,324	-859,922	-60.59%
Utilities	11,000	15,000	-4,000	-26.67%
Total Expenses	<u>1,294,197</u>	<u>2,178,322</u>	<u>-884,125</u>	<u>-40.59%</u>
Net Cost	<u>-1,294,197</u>	<u>-2,178,322</u>	<u>884,125</u>	<u>-40.59%</u>

People Department

	2017 Budget	2016 Budget	Change	Variance
Revenue				
Revenue	0	0	0	0
Total Revenue	0	0	0	0
Expenses				
Contracted Services	190,786	155,499	35,287	22.69%
Materials and Supplies	23,800	20,600	3,200	15.53%
Salaries, Waqes and Benefits	645,540	590,513	55,027	9.32%
Utilities	2,500	2,640	-140	-5.30%
Total Expenses	862,626	769,252	93,373	12.14%
Net Cost	-862,626	-769,252	-93,373	12.14%

**Administration
City Manager**

	2017 Budget	2016 Budget	Change	Variance
Revenue				
Revenue	0.00	0.00	0.00	0
Total Revenue	0.00	0.00	0.00	0
Expenses				
Contract	277,171	307,212	- 30,041	-9.78%
Materials	4,000	2,400	1,600	66.67%
Salaries	576,552	696,023	- 119,471	-17.16%
Utilities	6,000	6,000	-	0.00%
Total Expenses	863,723	1,011,635	- 147,912	-14.62%
Net Cost	- 863,723	- 1,011,635	147,912	-14.62%

Engineering

	2017 Budget	2016 Budget	Change	Variance
Revenue				
Revenue	0.00	0.00	0.00	0
Total Revenue	0.00	0.00	0.00	0
Expenses				
Debenture Interest	534,182	559,290	- 25,108	-4.49%
Total Expenses	534,182	559,290	- 25,108	-4.49%
Net Cost	- 534,182	- 559,290	25,108	-4.49%

Business Services

Franchise Utilities

	2017 Budget	2016 Budget	Change	Variance
Revenue				
Revenue - SK Power	366,178	366,178	0	0.00%
Revenue - Atco	5,281,957	4,950,508	331,449	6.70%
Revenue - Crossing Fees	750	750	0	0.00%
Total Revenue	5,648,885	5,317,436	331,449	6.23%

Information Technology

	2017 Budget	2016 Budget	Change	Variance
Revenue				
Revenue	0	0	0	0.00%
Total Revenue	0	0	0	0.00%
Expenses				
Contracted Services	795,652	601,832	193,820	32.20%
Materials and Supplies	72,600	25,500	47,100	184.71%
Salaries, Wages and Benefits	858,684	1,178,426	-319,742	-27.13%
Utilities	8,400	6,840	1,560	22.81%
Total Expenses	1,735,336	1,812,599	-77,263	-4.26%
Net Cost	-1,735,336	-1,812,599	77,263	-4.26%

Property Rentals

	2017 Budget	2016 Budget	Change	Variance
Revenue				
Lease Revenues	239,600	165,000	66,600	45.21%
Total Revenue	239,600	165,000	66,600	45.21%
Expenses				
City Owned Equipment Use	38,448	41,000	-2,552	-6.22%
Depreciation	1,574,402	1,545,801	28,601	1.85%
Contracted Services	802,319	847,637	-45,318	-5.35%
Total Internal Interfund Transfer			0	0.00%
Inter-City Rent Charges	-4,112,416	-4,169,610	57,194	-1.37%
Materials and Supplies	107,420	96,000	11,420	11.90%
Salaries, Wages and Benefits	1,309,068	1,262,998	46,070	3.65%
Utilities	337,700	293,400	44,300	15.10%
Total Expenses	56,941	-82,774	139,715	-168.79%
Net Revenue	182,659	247,774	-73,115	-26.28%



Finance

	Budget 2017	Budget 2016	Change	Variance
Revenue:				
Business Licenses	488,750	440,000	48,750	11.08%
Interest on Accounts Receivable	30,000	15,000	15,000	100.00%
Total Revenue	518,750	455,000	63,750	14.01%
Expenses:				
Bank Charges	40,000	39,000	1,000	2.56%
Contract	315,266	302,149	13,117	4.34%
Equipment	3,700	18,994	-15,294	-80.52%
IFTR	0	0	0	0.00%
Materials	27,650	21,950	5,700	25.97%
Salaries	1,400,000	1,719,513	-319,513	-18.58%
Utilities	8,500	7,600	900	11.84%
Total Expenses	1,795,116	2,109,207	-314,091	-14.89%
Net Cost	-1,276,366	-1,654,207	377,841	-22.84%

Property Taxation

	Budget 2017	Budget 2016	Change	Variance
Revenue				
Property Revenues	28,702,915	27,307,358	1,395,557	5.11%
Total Revenue	28,702,915	27,307,358	1,395,557	5.11%
Expenses				
City Owned Equipment Use	0	0	0	0.00%
Depreciation	0	0	0	0.00%
Contracted Services	317,500	250,480	67,020	26.76%
Total Internal Interfund Transfer	0	0	0	0.00%
Inter-City Rent Charges	0	0	0	0.00%
Materials and Supplies	0	0	0	0.00%
Salaries, Waives and Benefits	0	0	0	0.00%
Utilities	0	0	0	0.00%
Total Expenses	317,500	250,480	67,020	26.76%
Net Revenue	28,385,415	27,056,878	1,328,537	4.91%

Business Improvement District

	Budget 2017	Budget 2016	Change	Variance
Revenue				
Revenue	145,000	145,000	-	0.00%
Total Revenue	145,000	145,000	-	0.00%
Expenses				
Transfer	145,000	145,000	-	0.00%
Total Expenses	145,000	145,000	-	0.00%
Net Cost	-	145,000	-	0.00%

Business Services - Finance

	2017 Budget	2016 Budget	Change	Variance
Revenue				
Interest	200,000	90,000	110,000	122.22%
Dividend	900	900	-	0.00%
Grants	8,215,916	7,117,425	1,098,491	15.43%
Total Revenue	8,416,816	7,208,325	1,208,491	16.77%
Expenses				
Depreciation	432,988	696,184	-263,196	-37.81%
Total Expenses	432,988	696,184	-263,196	-37.81%
Net Cost	7,983,828	6,512,141	1,471,687	22.60%

Community Services

BioClean Aquatic Centre

	2017 Budget	2016 Budget	Change	Variance
Revenue				
Vending and Concession	14,400	14,400	0	0.00%
Admission, Memberships and Programs	760,600	690,000	57,800	10.23%
General Room and Locker Rental	119,000	117,000	2,000	1.71%
Total Revenue	894,000	821,400	59,800	8.84%
Expenses				
Contracted Services	297,392	278,601	18,792	6.74%
Depreciation	389,299	376,069	13,230	3.52%
City Owned Equipment Use	0	3,000	-3,000	-100.00%
Materials and Supplies	187,016	310,200	-123,184	-39.71%
Salaries, Wages and Benefits	1,404,922	1,588,223	-159,625	-11.54%
Utilities	237,056	219,300	17,756	8.10%
Total Expenses	2,515,685	2,775,392	-236,032	-9.36%
Net Cost	-1,621,685	-1,953,992	295,832	-17.01%

Servus Sports Centre

	2017 Budget	2016 Budget	Change	Variance
Revenue				
Vending and Concession	28,400	178,000	-149,600	-84.04%
Advertising	60,000	25,000	35,000	140.00%
Admission, Memberships and Programs	719,350	719,500	-150	-0.02%
Fieldhouse, Arena and Room Rental	915,500	888,562	26,938	3.03%
Total Revenue	1,723,250	1,811,062	-87,812	-4.85%
Expenses				
Contracted Services	630,208	485,471	144,737	29.81%
Depreciation	865,016	864,597	420	0.05%
City Owned Equipment Use	24,734	76,736	-52,002	-67.77%
Internal Repayment (Reserves)	0	0	0	0.00%
Materials and Supplies	135,550	245,275	-109,725	-44.74%
Salaries, Wages and Benefits	1,291,876	2,173,001	-881,125	-40.55%
Utilities	587,425	588,999	-1,574	-0.27%
Total Expenses	3,534,809	4,434,079	-899,270	-20.28%
Net Cost	-1,811,559	-2,623,018	811,458	-30.94%

Outdoor Pool

	2017 Budget	2016 Budget	Change	Variance
Revenue				
User Fees	54,750	52,250	1,400	4.78%
Total Revenue	54,750	52,250	1,400	4.78%
Expenses				
Interest on Long Term Debt	5,682	7,918	-2,236	-28.24%
Contracted Services	24,000	11,619	12,381	106.55%
Materials and Supplies	24,000	40,000	-16,000	-40.00%
Salaries, Wages and Benefits	121,830	115,554	8,677	5.43%
Utilities	24,411	20,000	4,411	22.06%
Total Expenses	199,924	195,091	7,234	2.48%
Net Cost	-145,174	-142,841	-5,834	1.63%

Lloydminster Cultural & Science Centre

	2017 Budget	2016 Budget	Change	Variance
Revenue				
LCSC Rentals	3,000	0	3,000	0.00%
Admission and Sales	63,750	61,200	2,550	4.17%
Programs and Events	70,000	82,000	-12,000	-14.63%
Grants and Donations	15,000	24,000	-9,000	-37.50%
Total Revenue	151,750	167,200	-15,450	-9.24%
Expenses				
Contract	176,214	181,800	-5,586	-3.07%
Depreciation	87,941	101,453	-13,512	-13.32%
Equipment	0	3,000	-3,000	-100.00%
Materials	63,400	71,000	-7,600	-10.70%
Salaries	598,795	635,261	-36,466	-5.74%
Utilities	80,500	80,000	500	0.63%
Total Expenses	1,006,849	1,072,514	-65,664	-6.12%
Net Cost	-855,099	-905,314	50,214	-5.55%



Land Development

	2017 Budget	2016 Budget	Change	Variance
Revenue				
Residential Lot Revenue	1,328,000	5,430,045	-4,102,045	-75.54%
Commercial Lot Revenue	3,037,578	3,762,400	-724,822	-19.26%
Total Revenue	<u>4,365,578</u>	<u>9,192,445</u>	<u>-4,826,868</u>	<u>-52.51%</u>
Expenses				
City Owned Equipment Use	0	5,000	-5,000	-100.00%
Depreciation	10,055	0	10,055	0.00%
Reserve Transfers	0	0	0	0.00%
Contracted Services	160,116	274,918	-114,802	-41.76%
Materials and Supplies	832,256	1,559,560	-727,304	-46.64%
Salaries, Wages and Benefits	190,831	396,240	-205,409	-51.84%
Total Internal Interfund Transfer	0	0	0	0.00%
Utilities	3,500	3,500	0	0.00%
Total Expenses	<u>1,196,758</u>	<u>2,239,218</u>	<u>-1,042,460</u>	<u>-46.55%</u>
Net Revenue	<u>3,168,820</u>	<u>6,953,228</u>	<u>-3,784,408</u>	<u>-54.43%</u>

Bylaw

	2017 Budget	2016 Budget	Change	Variance
Revenue				
Parking Lot Lease Revenue	0	50,000	-50,000	-100.00%
Taxi Licenses	5,500	5,000	500	10.00%
Photo Traffic Enforcement	1,600,000	1,648,000	-48,000	-2.91%
Voluntary Fines	240,000	100,000	140,000	140.00%
Car Towing and Impounding	700	1,500	-800	-53.33%
Total Revenue	<u>1,846,200</u>	<u>1,804,500</u>	<u>41,700</u>	<u>2.31%</u>
Expenses				
Contract	1,186,149	1,717,000	-530,851	-30.92%
Materials	20,000	20,500	-500	-2.44%
Utilities	4,000	4,500	-500	-11.11%
Depreciation	20,099	18,051	2,049	11.35%
Equipment	51,500	51,500	0	0.00%
Salaries	411,000	440,557	-29,557	-6.71%
Total Expenses	<u>1,692,749</u>	<u>2,252,108</u>	<u>-559,359</u>	<u>-24.84%</u>
Net Revenue/Cost	<u>153,451</u>	<u>-447,608</u>	<u>601,059</u>	<u>-134.28%</u>

Fire Department

	2017 Budget	2016 Budget	Change	Variance
Revenue				
Revenue	2,500	2,500	0	0.00%
Total Revenue	<u>2,500</u>	<u>2,500</u>	<u>0</u>	<u>0.00%</u>
Expenses				
Contracted Services	339,511	389,191	-49,680	-12.76%
Depreciation	318,668	318,123	545	0.17%
Materials and Supplies	37,500	33,400	4,100	12.28%
Salaries, Wages and Benefits	569,150	695,083	-125,933	-18.12%
Utilities	64,160	63,160	1,000	1.58%
Total Expenses	<u>1,328,989</u>	<u>1,498,957</u>	<u>-169,968</u>	<u>-11.34%</u>
Net Cost	<u>-1,326,489</u>	<u>-1,496,457</u>	<u>169,968</u>	<u>-11.36%</u>

RCMP

	Budget 2017	Budget 2016	Change	Variance
Revenue				
Fees and Fines	450,000	330,000	120,000	36.36%
Other	16,000	16,000	0	0.00%
Grants	651,800	1,095,000	-443,200	-40.47%
Total Revenue	<u>1,117,800</u>	<u>1,441,000</u>	<u>-323,200</u>	<u>-22.43%</u>
Expenses				
City Owned Equipment Use	4,806	4,000	806	20.15%
Depreciation	550,405	615,312	-64,906	-10.55%
Contracted Services	7,872,890	7,891,027	-18,137	-0.23%
Materials and Supplies	41,000	36,000	5,000	13.89%
Salaries, Wages and Benefits	2,100,402	1,916,154	184,248	9.62%
Utilities	123,157	100,000	23,157	23.16%
Total Expenses	<u>10,692,660</u>	<u>10,562,492</u>	<u>130,168</u>	<u>1.23%</u>
Net Cost	<u>-9,574,860</u>	<u>-9,121,492</u>	<u>-453,368</u>	<u>4.97%</u>

Family and Community Support Services

	2017 Budget	2016 Budget	Change	Variance
Revenue				
Revenue	465,585	389,480	76,105	19.54%
Total Revenue	<u>465,585</u>	<u>389,480</u>	<u>76,105</u>	<u>19.54%</u>

Expenses				
Contracted Services	51,981	60,000	-8,019	-13.37%
Materials and Supplies	5,000	0	5,000	0.00%
Total Internal Interfund Transfer	420,000	389,480	30,520	7.84%
Salaries, Wages and Benefits	105,000	45,620	59,380	130.16%
Total Expenses	581,981	495,100	86,881	17.55%
Net Cost	-116,396	-105,620	-10,776	10.20%

Health

	2017 Budget	2016 Budget	Change	Variance
Revenue				
Revenue	0	0	0	0.00%
Total Revenue	0	0	0	0.00%
Expenses				
Depreciation	7,697	7,697	0	0.00%
Total Expenses	7,697	7,697	0	0.00%
Net Cost	-7,697	-7,697	0	0.00%

Special Programs

	2017 Budget	2016 Budget	Change	Variance
Revenue				
Revenue	41,000	105,073	-64,073	-60.98%
Total Revenue	41,000	105,073	-64,073	-60.98%
Expenses				
Contracted Services	295,122	422,500	-127,378	-30.15%
Depreciation	12,197	19,894	-7,697	-38.69%
Transfers	17,000	50,000	-33,000	-66.00%
Materials and Supplies	0	0	0	0.00%
Salaries, Wages and Benefits	0	0	0	0.00%
Utilities	0	0	0	0.00%
Total Expenses	324,319	492,394	-168,075	-34.13%
Net Cost	-283,319	-387,322	104,003	-26.85%

Library

	2017 Budget	2016 Budget	Change	Variance
Revenue				
Revenue	0	0	0	0.00%
Total Revenue	0	0	0	0.00%
Expenses				
Transfer	883,172	858,172	25,000	2.91%
Total Expenses	883,172	858,172	25,000	2.91%
Net Cost	-883,172	-858,172	-25,000	2.91%



Vic Juba

	2017 Budget	2016 Budget	Change	Variance
Revenue				
Revenue	0	0	0	0.00%
Total Revenue	0	0	0	0.00%
Expenses				
Depreciation	96,514	96,514	0	0.00%
Transfer	156,500	156,500	0	0.00%
Total Expenses	253,014	253,014	0	0.00%
Net Cost	-253,014	-253,014	0	0.00%

Lloydminster Golf and Curling Centre

	2017 Budget	2016 Budget	Change	Variance
Revenue				
Revenue	0	0	0	0.00%
Total Revenue	0	0	0	0.00%
Expenses				
Transfer	56,000	56,000	0	0.00%
Total Expenses	56,000	56,000	0	0.00%
Net Cost	-56,000	-56,000	0	0.00%

Programs

	2017 Budget	2016 Budget	Change	Variance
Revenue				
Canada Day Revenue	30,000	25,000	5,000	20.00%
Total Revenue	30,000	25,000	5,000	20.00%
Expenses				
Contracted Services	37,000	47,000	-10,000	-21.28%
Materials and Supplies	37,000	12,000	25,000	208.33%
Depreciation	630,597	633,046	-2,449	-0.39%
Total Expenses	704,597	692,046	12,551	1.81%
Net Cost	-674,597	-667,046	-7,551	1.13%

Community Services

	2017 Budget	2016 Budget	Change	Variance
Revenue				
Revenue	0.00	0.00	0.00	0
Total Revenue	0.00	0.00	0.00	0
Expenses				
Contract	199,791	171,372	28,419	16.58%
Materials	4,000	6,000	-2,000	-33.33%
Salaries	475,339	659,000	-183,661	-27.87%
Utilities	11,000	10,000	1,000	10.00%
Total Expenses	690,130	846,372	-156,242	-18.46%
Net Cost	-690,130	-846,372	156,242	-18.46%

Public Safety

	2017 Budget	2016 Budget	Change	Variance
Revenue				
Revenue	0.00	0.00	0.00	0
Total Revenue	0.00	0.00	0.00	0
Expenses				
Contract	65,000	266,130	-201,130	-75.58%
Materials	13,500	10,000	3,500	35.00%
Salaries	224,988	242,610	-17,623	-7.26%
Utilities	10,000	10,000	-	0.00%
Debt Interest	159,370	167,224	-7,855	-4.70%
Total Expenses	472,858	695,964	-223,107	-32.06%
Net Cost	-472,858	-695,964	223,107	-32.06%

Operations

Planning Services

	2017 Budget	2016 Budget	Change	Variance
Revenue				
Revenue	731,000	1,292,000	-561,000	-43.42%
Total Revenue	731,000	1,292,000	-561,000	-43.42%
Expenses				
City Owned Equipment Use	0	7,000	-7,000	-100.00%
Depreciation	22,654	22,654	0	0.00%
Contracted Services	760,007	1,127,918	-531,422	-32.62%
Materials and Supplies	12,000	7,000	5,000	71.43%
Salaries, Wages and Benefits	563,309	1,224,433	-661,124	-53.99%
Utilities	1,500	2,500	-1,000	-40.00%
Total Expenses	1,359,470	2,391,505	-1,195,546	-43.15%
Net Cost	-628,470	-1,099,505	634,546	-42.84%

Equipment Pool

	2017 Budget	2016 Budget	Change	Variance
Revenue				
Revenue	0	0	0	0.00%
Total Revenue	0	0	0	0.00%
Expenses				
Contracted Services	-1,082,780	-3,484,218	2,401,438	-68.92%
City Owned Equipment Use	39,598	71,000	-31,402	-44.23%
Depreciation	1,557,450	1,574,097	-16,647	-1.06%
Materials and Supplies	914,201	1,181,200	-266,999	-22.60%
Total Internal Interfund Transfer	0	1,150,018	-1,150,018	-100.00%
Salaries, Wages and Benefits	679,900	950,006	-270,106	-28.43%
Utilities	20,000	32,000	-12,000	-37.50%
Total Expenses	2,128,368	1,474,103	654,266	44.38%
Net Cost	-2,128,368	-1,474,103	-654,266	44.38%

Waste and Recycling Utility (Landfill)

	2017 Budget	2016 Budget	Change	Variance
Revenue				
User and Operation Fees	4,538,666	4,752,600	-182,034	-4.50%
Contaminated Soil and Sump Waste	236,110	100,000	136,110	136.11%
Product Sales	150,000	375,000	-225,000	-60.00%
Grants	31,900	13,700	18,200	132.85%
Total Revenue	4,956,676	5,241,300	-252,724	-5.43%
Expenses				
Contracted Services	2,266,213	2,130,426	135,787	6.37%
City Owned Equipment Use	202,600	428,600	-226,000	-52.73%
Depreciation	194,271	196,286	-2,015	-1.03%
Materials and Supplies	18,000	28,000	-10,000	-35.71%
Salaries, Wages and Benefits	657,000	723,009	-66,009	-9.13%
Utilities	15,000	25,500	-10,500	-41.18%
Total Expenses	3,353,084	3,531,821	-178,736	-5.06%
Net Revenue	1,603,592	1,709,479	-73,988	-6.19%

Storm

	2017 Budget	2016 Budget	Change	Variance
Revenue				
Revenue	2,000,000	0	2,000,000	0.00%
Total Revenue	2,000,000	0	2,000,000	0.00%
Expenses				
Contracted Services	181,600	222,000	-40,400	-18.20%
City Owned Equipment Use	66,450	270,000	-203,550	-75.39%
Depreciation	1,408,470	1,377,968	30,502	2.21%
Debt	37,578	0	37,578	0.00%
Materials and Supplies	32,000	32,000	0	0.00%
Salaries, Wages and Benefits	164,741	261,300	-96,559	-36.95%
Utilities	5,000	5,000	0	0.00%
Total Expenses	1,895,839	2,168,268	-272,429	-12.56%
Net Revenue/Cost	104,161	-2,168,268	2,272,429	-104.80%



Expenses				
Contracted Services	181,600	222,000	-40,400	-18.20%
City Owned Equipment Use	66,450	270,000	-203,550	-75.39%
Depreciation	1,408,470	1,377,968	30,502	2.21%
Debt	37,578	0	37,578	0.00%
Materials and Supplies	32,000	32,000	0	0.00%
Salaries, Wages and Benefits	164,741	261,300	-96,559	-36.95%
Utilities	5,000	5,000	0	0.00%
Total Expenses	1,895,839	2,168,268	-272,429	-12.56%
Net Revenue/Cost	104,161	-2,168,268	2,272,429	-104.80%

Water and Wastewater

	2017 Budget	2016 Budget	Change	Variance
Revenue				
User and Operation Fees	19,523,186	18,519,354	1,003,832	5.42%
Total Revenue	19,523,186	18,519,354	1,003,832	5.42%

Expenses				
Interest on Long Term Debt	178,806	309,105	-130,299	-42.15%
City Owned Equipment Use	134,338	479,728	-345,390	-72.00%
Depreciation	5,293,136	5,251,371	41,765	0.80%
Contracted Services	1,203,258	1,391,514	-188,256	-13.53%
Reserve Transfers	0	0	0	0.00%
Materials and Supplies	403,816	715,550	-311,734	-43.57%
Salaries, Wages and Benefits	2,232,805	2,472,833	-240,028	-9.71%
Utilities	1,506,450	1,572,703	-66,253	-4.21%
Total Expenses	10,952,609	12,192,804	-1,240,195	-10.17%
Net Revenue	8,570,577	6,326,550	2,244,027	35.47%

Water

	2017 Budget	2016 Budget	Change	Variance
Revenue				
User and Operation Fees	17,322,546	18,278,789	-956,243	-5.23%
Total Revenue	17,322,546	18,278,789	-956,243	-5.23%

Expenses				
City Owned Equipment Use	52,838	189,728	-136,890	-72.15%
Depreciation	3,942,945	3,598,854	344,091	9.56%
Contracted Services	877,258	892,114	-14,856	-1.67%
Materials and Supplies	333,216	641,750	-308,534	-48.08%
Salaries, Wages and Benefits	1,426,105	1,641,143	-215,038	-13.10%
Utilities	1,226,550	1,277,303	-50,753	-3.97%
Total Expenses	7,858,912	8,240,892	-381,980	-4.64%
Net Revenue	9,463,634	10,037,897	-574,263	-5.72%

Wastewater

	2017 Budget	2016 Budget	Change	Variance
Revenue				
User and Operation Fees	200,640	240,565	-39,925	-16.60%
Total Revenue	200,640	240,565	-39,925	-16.60%

Expenses				
Interest on Long Term Debt	178,806	309,105	-130,299	-42.15%
City Owned Equipment Use	81,500	290,000	-208,500	-71.90%
Depreciation	1,350,191	1,652,518	-302,327	-18.29%
Contracted Services	326,000	499,400	-173,400	-34.72%
Materials and Supplies	70,600	73,800	-3,200	-4.34%
Salaries, Wages and Benefits	806,700	831,690	-24,990	-3.00%
Utilities	279,900	295,400	-15,500	-5.25%
Total Expenses	3,093,697	3,951,912	-858,215	-21.72%
Net Revenue	-2,893,057	-3,711,347	818,290	-22.05%

Highway and Street Maintenance

	2017 Budget	2016 Budget	Change	Variance
Revenue				
Revenue - Snow Dump Fees	32,990	20,040	12,950	64.62%
Revenue	<u>32,990</u>	<u>20,040</u>	<u>12,950</u>	<u>64.62%</u>
Expenses				
Contracted Services	2,223,624	2,151,383	72,241	3.36%
Interest on Long Term Debt	148,727	155,019	-6,292	-4.06%
City Owned Equipment Use	599,970	1,347,000	-747,030	-55.46%
Depreciation	5,561,493	5,335,916	225,577	4.23%
Materials and Supplies	545,100	486,100	59,000	12.14%
Salaries, Wages and Benefits	1,412,412	1,571,758	-159,346	-10.14%
Utilities	1,978,000	1,466,500	511,500	34.88%
Total Expenses	<u>12,469,326</u>	<u>12,513,676</u>	<u>-44,351</u>	<u>-0.35%</u>
Net Cost	<u>-12,436,336</u>	<u>-12,493,636</u>	<u>57,301</u>	<u>-0.46%</u>

Parks

	2017 Budget	2016 Budget	Change	Variance
Revenue				
Revenue	41,000	35,000	6,000	17.14%
Total Revenue	<u>41,000</u>	<u>35,000</u>	<u>6,000</u>	<u>17.14%</u>
Expenses				
Contracted Services	361,319	375,773	-14,454	-3.85%
Depreciation	243,502	238,508	4,994	2.09%
City Owned Equipment Use	144,992	428,130	-283,138	-66.13%
Materials and Supplies	110,000	90,000	20,000	22.22%
Salaries, Wages and Benefits	1,308,312	1,340,178	-31,866	-2.38%
Utilities	10,000	9,000	1,000	11.11%
Total Expenses	<u>2,178,125</u>	<u>2,481,589</u>	<u>-303,464</u>	<u>-12.23%</u>
Net Cost	<u>-2,137,125</u>	<u>-2,446,589</u>	<u>309,464</u>	<u>-12.65%</u>

Bud Miller All Seasons Park

	2017 Budget	2016 Budget	Change	Variance
Revenue				
Facility Use	24,000	16,500	7,500	45.45%
Concession	2,600	1,600	1,000	62.50%
Total Revenue	<u>26,600</u>	<u>18,100</u>	<u>8,500</u>	<u>46.96%</u>
Expenses				
Contracted Services	90,400	105,900	-15,500	-14.64%
City Owned Equipment Use	46,767	109,707	-62,940	-57.37%
Depreciation	181,449	178,352	3,097	1.74%
Materials and Supplies	52,000	72,000	-20,000	-27.78%
Salaries, Wages and Benefits	423,508	583,290	-159,782	-27.39%
Utilities	60,000	70,000	-10,000	-14.29%
Total Expenses	<u>854,124</u>	<u>1,119,249</u>	<u>-265,125</u>	<u>-23.69%</u>
Net Cost	<u>-827,524</u>	<u>-1,101,149</u>	<u>273,625</u>	<u>-24.85%</u>

Legion Ball Park

	2017 Budget	2016 Budget	Change	Variance
Revenue				
Revenue	50,000	45,000	5,000	11.11%
Total Revenue	<u>50,000</u>	<u>45,000</u>	<u>5,000</u>	<u>11.11%</u>
Expenses				
Contracted Services	15,000	10,000	5,000	50.00%
General Operations and Maintenance	66,191	82,000	-15,809	-19.28%
Salaries, Wages and Benefits	110,400	96,000	14,400	15.00%
Total Expenses	<u>191,591</u>	<u>188,000</u>	<u>3,591</u>	<u>1.91%</u>
Net Cost	<u>-141,591</u>	<u>-143,000</u>	<u>1,409</u>	<u>-0.99%</u>



Weaver Park Campground

	2017 Budget	2016 Budget	Change	Variance
Revenue				
Revenue	200,000	260,000	-60,000	-23.08%
Total Revenue	200,000	260,000	-60,000	-23.08%
Expenses				
Contracted Services	90,000	190,000	-100,000	-52.63%
City Owned Equipment Use	7,000	7,000	0	0.00%
Materials and Supplies	10,000	14,000	-4,000	-28.57%
Salaries, Wages and Benefits	62,560	36,000	26,560	73.78%
Utilities	47,746	47,000	746	1.59%
Depreciation	54,753	53,011	1,742	3.29%
Total Expenses	272,059	347,011	-74,952	-21.60%
Net Cost	-72,059	-87,011	14,952	-17.18%

Cemetery

	Budget 2017	Budget 2016	Change	Variance
Revenue				
Revenue - Cemetery Fees	120,000	120,000	0	0.00%
Total Revenue	120,000	120,000	0	0.00%
Expenses				
Contracted Services	6,000	6,000	0	0.00%
City Owned Equipment Use	23,385	62,500	-39,115	-62.58%
Depreciation	11,404	11,175	229	2.05%
Materials and Supplies	10,000	10,000	0	0.00%
Salaries, Wages and Benefits	146,862	135,000	11,862	8.79%
Utilities	3,500	4,000	-500	-12.50%
Total Expenses	201,151	228,675	-27,524	-12.04%
Net Cost	-81,151	-108,675	27,524	-25.33%

Russ Robertson Arena

	Budget 2017	Budget 2016	Change	Variance
Revenue				
Facility Use	147,180	141,296	5,884	4.16%
Total Revenue	147,180	141,296	5,884	4.16%
Expenses				
Contracted Services	41,000	30,795	10,205	33.14%
Interest on Long Term Debt	26,472	25,758	714	2.77%
Depreciation	94,382	23,895	70,487	294.99%
City Owned Equipment Use	11,719	21,100	-9,381	-44.46%
Materials and Supplies	15,000	19,500	-4,500	-23.08%
Salaries, Wages and Benefits	178,267	207,894	-29,627	-14.25%
Utilities	70,000	112,410	-42,410	-37.73%
Total Expenses	436,839	441,351	-4,512	-1.02%
Net Cost	-289,659	-300,055	10,396	-3.46%

Archie Miller Arena

	Budget 2017	Budget 2016	Change	Variance
Revenue				
Vending Machine	1,200	900	300	33.33%
Ice Rental	128,000	124,250	3,750	3.02%
Total Revenue	129,200	125,150	4,050	3.24%
Expenses				
Contract	31,415	28,000	3,415	12.20%
Depreciation	11,952	12,179	-227	-1.86%
Equipment	11,719	23,260	-11,541	-49.62%
Materials	10,000	14,500	-4,500	-31.03%
Salaries	166,278	176,797	-10,519	-5.95%
Utilities	60,000	66,407	-6,407	-9.65%
Total Expenses	291,364	321,143	-29,778	-9.27%
Net Cost	-162,164	-195,993	33,828	-17.26%

Centennial Civic Centre

	Budget 2017	Budget 2016	Change	Variance
Revenue				
Vending Machine	4,000	1,320	2,680	203.03%
Ice Rental	226,913	219,333	7,580	3.46%
Auditorium Rental	47,000	95,000	-48,000	-50.53%
Total Revenue	277,913	315,653	-37,740	-11.96%
Expenses				
Contracted Services	143,000	148,338	-5,338	-3.60%
City Owned Equipment Use	11,719	47,676	-35,957	-75.42%
Depreciation	159,152	152,631	6,521	4.27%
Materials and Supplies	83,100	61,400	21,700	35.34%
Salaries, Waqes and Benefits	295,169	321,578	-26,409	-8.21%
Utilities	171,800	185,800	-14,000	-7.53%
Total Expenses	863,940	917,423	-53,483	-5.83%
Net Cost	-586,027	-601,770	15,743	-2.62%

Operations

	2017 Budget	2016 Budget	Change	Variance
Revenue				
Revenue	0.00	0.00	0.00	0
Total Revenue	0.00	0.00	0.00	0
Expenses				
Contract	75,000	102,000	- 27,000	-26.47%
Materials	5,000	5,000	- 0	0.00%
Salaries	239,080	254,550	- 15,470	-6.08%
Utilities	2,000	-	2,000	0.00%
Total Expenses	321,080	361,550	- 40,470	-11.19%
Net Cost	- 321,080	- 361,550	40,470	-11.19%



Strategy

Airport

	2017 Budget	2016 Budget	Change	Variance
Revenue:				
Fees	91,886	197,508	-105,622	-53.48%
Leases	195,505	149,426	46,079	30.84%
Fuel	468,873	0	468,873	0.00%
Total Revenue	<u>756,264</u>	<u>346,934</u>	<u>409,330</u>	<u>117.99%</u>
Expenses:				
Contract	312,235	174,320	137,915	79.12%
Depreciation	241,659	243,084	-1,425	-0.59%
Equipment	81,532	85,020	-3,488	-4.10%
Materials	350,911	31,500	319,411	1014.00%
Salaries	356,572	384,633	-28,061	-7.30%
Utilities	73,400	62,110	11,290	18.18%
Total Expenses	<u>1,416,309</u>	<u>980,667</u>	<u>435,642</u>	<u>44.42%</u>
Net Cost	<u>-660,044</u>	<u>-633,733</u>	<u>-26,312</u>	<u>4.15%</u>

Marketing/Communications

	2017 Budget	2016 Budget	Change	Variance
Revenue				
Revenue	0	0	0	0.00%
Total Revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>
Expenses:				
Contracted Services	303,868	580,178	-276,311	-47.63%
Materials and Supplies	6,540	5,004	1,536	30.70%
Salaries, Waqes and Benefits	402,328	386,403	102,335	4.12%
Total Expenses	<u>712,736</u>	<u>971,585</u>	<u>-172,440</u>	<u>-26.64%</u>
Net Cost	<u>-712,736</u>	<u>-971,585</u>	<u>172,440</u>	<u>-26.64%</u>

Strategy

	2017 Budget	2016 Budget	Change	Variance
Revenue				
Revenue	11,491	-	11,491	0
Total Revenue	<u>11,491</u>	<u>-</u>	<u>11,491</u>	<u>0</u>
Expenses				
Contract	599,156	152,036	447,120	294.09%
Materials	1,440	1,900	-460	-24.21%
Salaries	595,272	643,844	-48,572	-7.54%
Utilities	4,200	4,200	-	0.00%
Total Expenses	<u>1,200,068</u>	<u>801,980</u>	<u>398,087</u>	<u>49.64%</u>
Net Cost	<u>-1,188,577</u>	<u>-801,980</u>	<u>-386,596</u>	<u>48.21%</u>

Capital Project List

2017 Capital Project List

Projects	Budget 2017 Capital
2017 Street Improvement Program	3,000,000
Landfill - New Cell	3,000,000
2017 Water & Sewer Replacement Program	2,000,000
AMI Water Meter Reads	1,800,000
LCSC Improvements	1,500,000
Final Lift Asphalt - Parkview 6-1, Hill 8-1, Parkview 6-2 & 6-2B, CPE 2	1,498,432
Enhance Technology Project	981,000
Landscaping CPE2, PV6-1, PV 6-3, Signage for CPE2	701,100
River Pumphouse electrical panel upgrades	685,000
Parks - Bud Miller - Amphitheater rehabilitation	326,250
Police - Acquire and set up Photo Radar	325,000
Irrigation system upgraded	313,000
2016 Street Improvement Program	300,000
Neale Edmunds Culvert Replacement & Flood Mitigation	300,000
Drainage Improvement - 75 Avenue	300,000
BMASP Tennis Courts 2	300,000
LGCC Building Exterior	250,000
Transportation - 25 Street / 40 to 47 Avenue Extension (Design Only)	250,000
Paved taxiways	230,000
New Water meter installs (Commercial-Residential)	216,700
Capital Community Planning - Kin Kinetie Park Business Case	200,000
2017 Traffic Signal Hardware Upgrades	165,000
BMASP Trail repairs	150,000
Misc capital for water supply operations	150,000
Functional Study 44 St/62 Ave Intersection (Design)	120,000
Chemical feeder system - carbon	100,000
BMASP - Paving Stone restoration LC/ Park Centre	100,000
Security Program	100,000
Capital Community Planning - Community Feasability Study	100,000
LCSC Artefact Management Project	91,000
BAC - Exterior Painting	90,000
Chemical feeder system - lime	90,000
SSC North side Entrance Heating	80,000
BMASP - Shop Lunch room 2 extra bays	80,000
BAC - Shut Down Cost	76,000
Server and desktop hardware	75,000
Police - Upgrade Vehicles and staff to meet CPO1 Status	70,000
SSC fitness equipment	65,000
Parks - Playground replacement Lions Park	60,000
Geomatics system update	55,000
Upgrade traffic lights to LED 2 intersections	50,000
LBP - Main Bleachers Replacement Diamond 4	50,000
Parks - Park furniture replacement.	50,000
Parks - Beautification and tree replacement.	50,000
Parks - Paved trail upgrades	50,000
Office furniture/cubicles	50,000
Toro3500 Groundsmaster big mower LEASE (5 years)	49,000



RR- Exterior Metal Cladding replacement	45,000
CCC Main Electrical Panel Consultant for design and tender package for 2018	40,000
Fire - Annual Equipment Replacement	40,000
Vault 9 communications upgrade (Wastewater Treatment)	35,000
Police - Bylaw - Add laptops/Mobile Data stations in Peace Officer Vehicles	35,000
BMASP - Refit lights in Picnic shelter/ shop trail / interpretive center - LED	30,000
Facilities - Park Centre - Replace Siding	30,000
Facilities - Heritage Building - Window Refurbishment	30,000
Facilities - General Operations - Environmental Testing and Inspections	30,000
LBP - Legion Gravel for parking lot for Nationals	30,000
Parks - Fencing upgrades	30,000
Parks - Trail repairs Kiwanis park	30,000
Vault 9 communications upgrade (Wastewater Treatment)	30,000
Capital Community Planning- Land Corp Business Case	30,000
LGCC Toro Groundskeeper small mower	28,000
Parks - Side Arm for rough cut Mower	26,000
Server and desktop software	25,500
CCC Ride on Floor Scrubber	23,000
Airport - Automatic Door Openers	20,000
BMASP - Reside Picnic Shelter	20,000
Facilities - City Hall - East door replacement	20,000
Multi-Function Printers	20,000
Parks - Shale Replacement	20,000
SSC OTS Counter top replacements	20,000
BAC - Wheelchair interior accessible doors	20,000
Cemetery Ribbons	20,000
Network hardware	20,000
RR Ride on Floor Scrubber	19,000
BAC - Replace Diving Board	16,000
SSC Compressor 1	16,000
BMASP - Wood edging on shrub beds	15,000
Facilities - General Operations - Furniture and Task Chair Replacement	15,000
Fire- Training Facility Upgrade	15,000
Parks- Wallace Field / Run Power to score clock	15,000
RR Signage	15,000
Wireless lift station (Sewer)	15,000
BMASP - Spray Park Web Drop Vandalism	14,000
CCC Ice Plant Repair	14,000
LBP - Sand blast and paint pedestrian bridge	12,000
RR Ice plant Repair	12,000
Miscellaneous Neale Edmunds	12,000
AM Archie Miller Ice plant Repair(pumps, motors)	11,000
Greens Mower Triflex Cutting Reels	11,000
CCC Ammonia Detector Upgrade	10,000
LBP -Permanent Sound System for Nationals	10,000
LBP Scoreclock Signage	10,000
Parks - Retrofit Landscaping on Developments	10,000
Parks - Small equipment replacements	10,000
RR Ammonia Detector Upgrade	10,000
Aerway Fairway Solid tine aerator	8,500
BMASP Gravel on new Trail Amphitheatre	8,000
Police - Dispatch - Reconfigure LOCC/Add auxiliary 911 CP	8,000
SSC Volleyball/ Basketball Nets	7,100
Facilities - LCSC - Tourist Office - Furnace Replacement	7,000
BMASP Sanding units for bobcats	7,000
Weaver Park Firepits (8)	7,000
Wireless lift station (Sewer)	6,000
CCC Auditorium Ice Machine	6,000
CCC new grill concession	6,000
SSC washer/Dryer	6,000

SSC Compressor 2	6,000
BAC - Fitness equipment	5,000
SSC Child Minding Mats	5,000
Parks - Billy goat mower	5,000
5000 watt generator to run traffic lights not on UPS	4,000
ODP - Dolphin Vacuum	4,000
SSC Concession Counter extension	4,000
Driving Range Equipment	4,000
SSC Matting in Rusway Players Box	3,500
SSC Water Meter	3,450
Facilities - Cleaning Cart	3,250
CCC Carpet/Upholstery Cleaner	3,000
Smallware Restaurant	3,000
LCSC Mobile Coat Racks	2,500
Generators	2,040
SSC Water Line to regulate shower temperatures	2,000
BAC - signage	1,500
Custodial - Replacement Vacuum	1,000
Total	21,815,822



Modernizing Financial Management

MODERNIZING FINANCIAL MANAGEMENT AT THE CITY OF LLOYDMINSTER

WHAT IS “FINANCIAL MANAGEMENT”?

Financial management is the collection of policies, tools, processes, and information that organizations use to take care of their money. For municipalities, financial management is about managing how money is collected, allocated, and spent. Financial management helps communities answer these types of questions:

- What capital projects should we fund this year?
- Do we need to increase taxes?
- How do we plan for the future?

Financial Management at the City

Municipalities vary widely in terms of their approach to financial management - some have highly structured and comprehensive approaches, whereas others operate on a more ad hoc basis. In the past, the City of Lloydminster's (the “City's”) approach to financial management has been relatively ad-hoc with a tendency toward meeting the needs of ‘today’ as opposed to planning for ‘tomorrow’. Consequently, the City has experienced a number of significant challenges including: chronic underfunding; inconsistent decision-making; and perhaps a lack of transparency and trust in the City's financial management overall. The economic climate in the Lloydminster region has put a spotlight on these challenges and the City is faced with, again, making some difficult choices to balance the 2017 operating budget.

This experience has catalyzed a call to action within the City. A call to get organized and to move beyond the status quo – and it starts now. The City is committed to modernizing its approach to realize the many benefits of strong financial management.

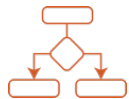


Building Financial Management Capacity

Municipalities that manage their finances well have this in common: they have deliberately built their financial management capacity. Good financial management is the result of specific and ongoing efforts to continually improve the organization's capacity to manage its money. Municipalities with strong financial management have built capacity in 5 core areas:



Policies – Clear financial policies are in place that establish a consistent and transparent approach to a variety of financial matters, including debt-financing, surpluses, and reserve funds.



Processes – Rigorous processes are in place for short- and long-term financial planning.



Tools – Financial tools (e.g., tax rates, levies, utility charges) are in place to support financial plans. Accounting and budget software is kept current.



Information and Communications – Financial information is tracked and informs financial planning; resulting financial plans are communicated to the public.




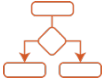



People – Council and staff have the skills and knowledge to manage City finances; staff work effectively across departments to prepare and implement financial plans.

Because these core areas are interrelated, municipalities need to build capacity in all 5 core areas to best manage their finances.

Next steps: building the City's financial management capacity

The City can modernize its financial management by building capacity in the 5 core areas: **Policies; Processes; Tools; Information and Communications; and People**. There are many initiatives that the City could undertake; however, in the near term, it makes most sense to focus on addressing critical gaps. The City will need to build capacity in each of the 5 core areas to make significant and lasting progress. Recommended next steps are outlined on the following page.



CORE AREA	RECOMMENDED NEXT STEPS	RATIONALE
<p>Policies</p> 	<p>Develop policies on:</p> <ul style="list-style-type: none"> • Debt financing • Surplus funds • Land and asset sales • Asset replacement • Reserve funds • Grant funds • Franchise fees 	<p>These are the core policies that will help ensure future financial decision-making is transparent and consistent. Policies dictate all other financial planning activities.</p>
<p>Processes</p> 	<p>Develop processes for preparing:</p> <ul style="list-style-type: none"> • Long-term capital plans (including processes for priority-setting) • Annual budgets • Multi-year operating budgets • Financial plans 	<p>Structured (vs ad hoc) processes are needed to ensure plans promote financial sustainability. Because these planning processes are interrelated, they should be developed concurrently.</p>
<p>Tools</p> 	<p>Review:</p> <ul style="list-style-type: none"> • Utility rates (including a new stormwater utility) • Off-site levies • Software needs 	<p>The City needs to ensure it uses all appropriate cost recovery tools to ensure financial sustainability. The City also needs to ensure they have the appropriate accounting and budget software to support decision-making.</p>
<p>Information and Communications</p> 	<p>Develop:</p> <ul style="list-style-type: none"> • Reporting protocols to track budget vs expenditures on completed projects • Annual financial report templates 	<p>Basic information on past project expenditures is a key input for future budgets. The financial report is the most significant opportunity to communicate with the public and foster accountability.</p>
<p>People</p> 	<ul style="list-style-type: none"> • Raise awareness among Council and staff • Assemble an inter-departmental team 	<p>Financial management is completed by people. Raising awareness among Council and staff is key to building and maintaining momentum. Financial planning is an “organization-wide” activity (not only for finance) - promoting collaboration across departments is key to the process.</p>

What is Council's Role?

Council has a number of roles to play as the City moves forward with building its financial management capacity. Most notably, Council will:

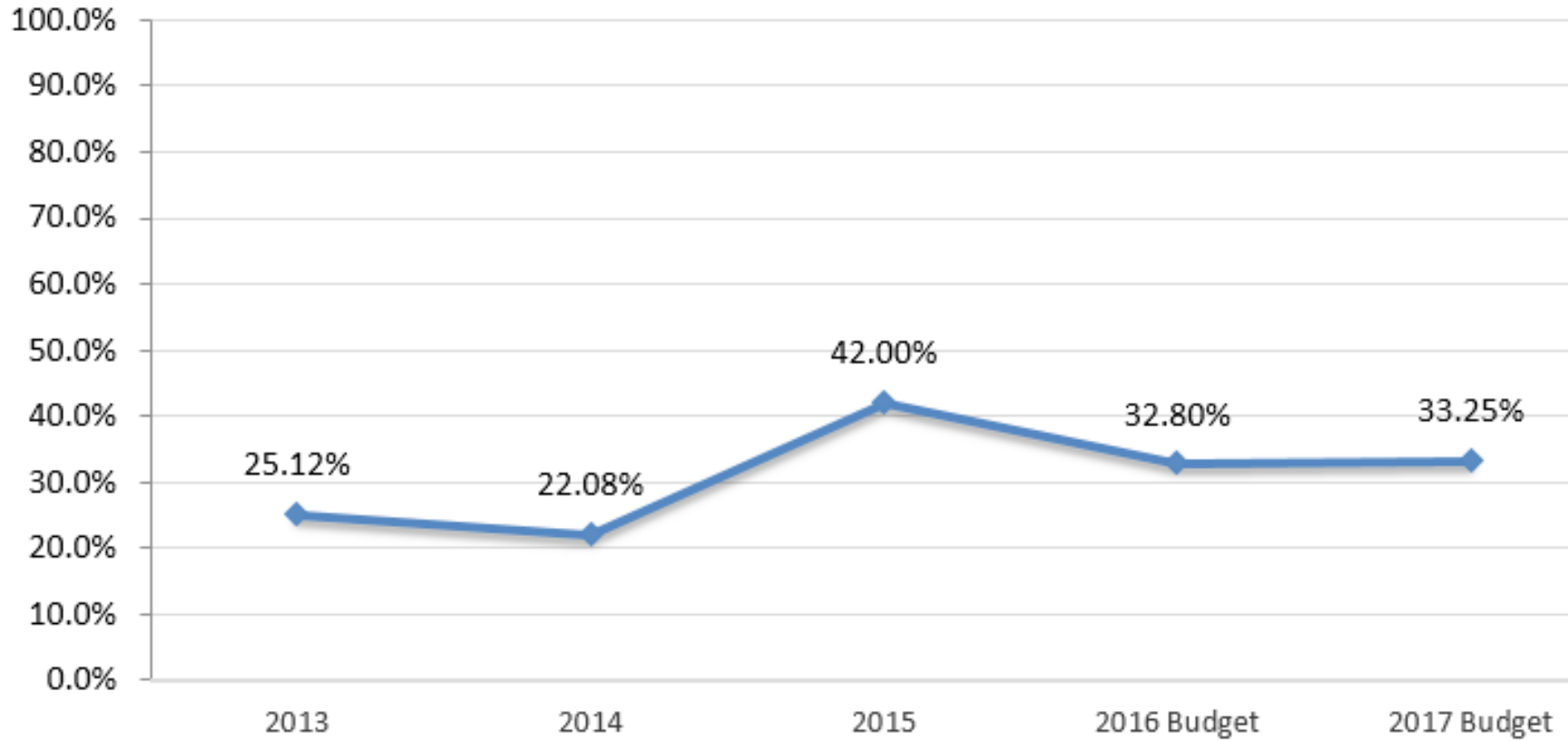
- **Make policy decisions** - Council will be directly engaged in developing and approving financial policies
- **Act as a champion** - Council will need to champion the overall process, both to staff and the public
- **Ensure accountability** - Council will need to assess the process and report on its achievements

Council will be kept apprised of progress on each recommended initiative.

Supporting Charts and Data

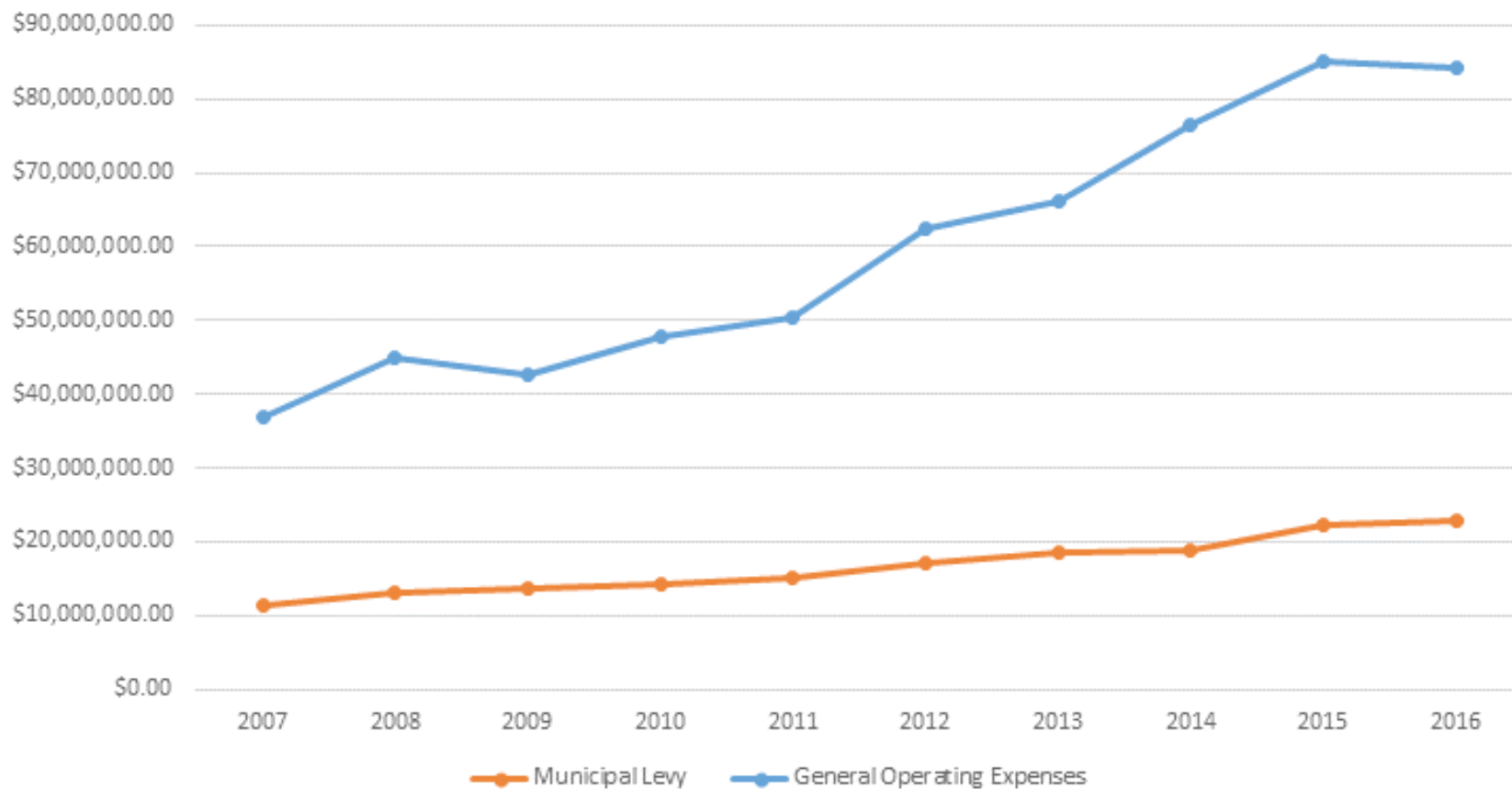
DEBT LIMIT

The graph below shows what percentage of the City's debt limit has been used each year. The City's projected debt limit for 2017 is \$115,292,781 and the City anticipates the total outstanding debt to be \$38,338,302. This provides the City with 66.75% of the municipality's debt limit in 2017.

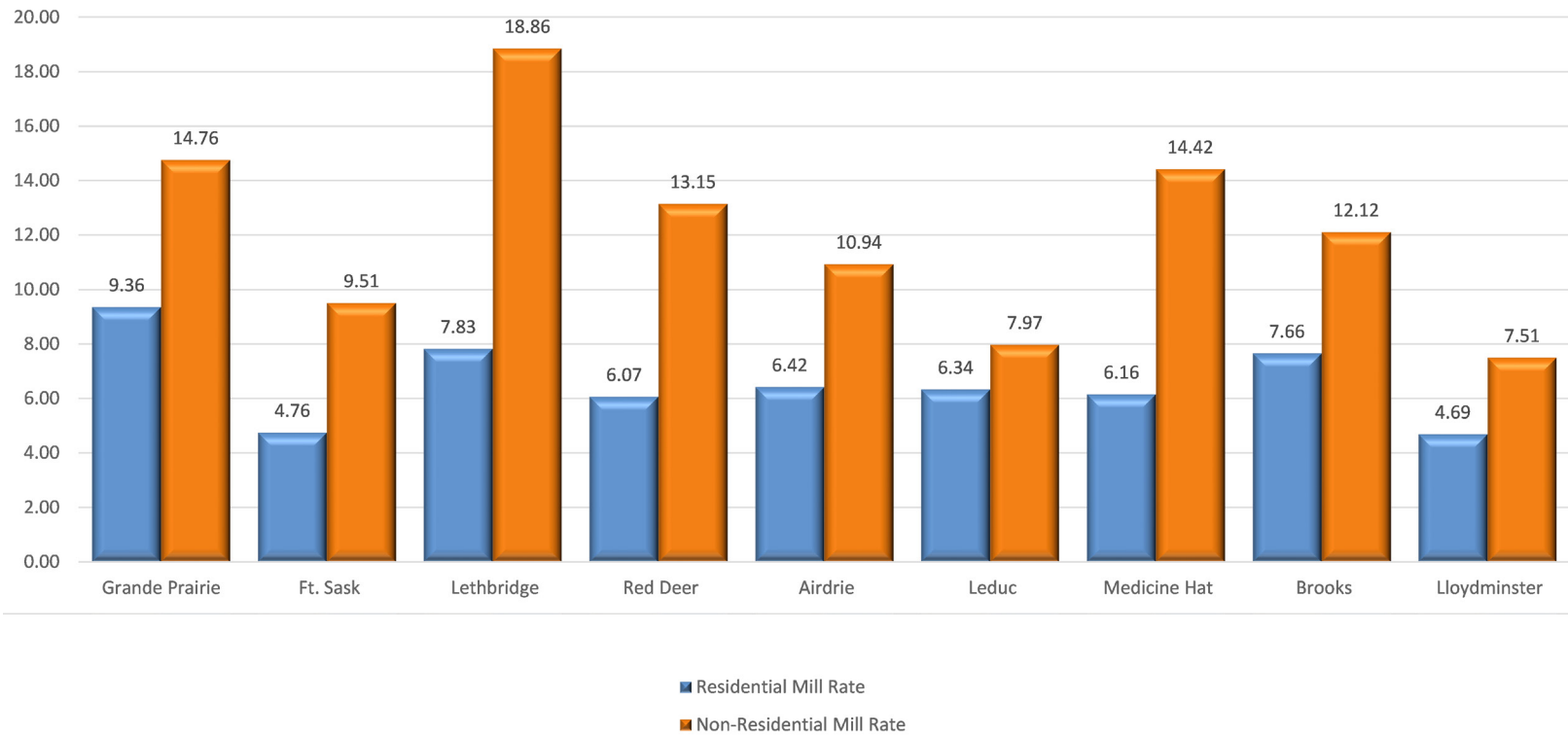


HISTORICAL EXPENSES VS MUNICIPAL LEVY

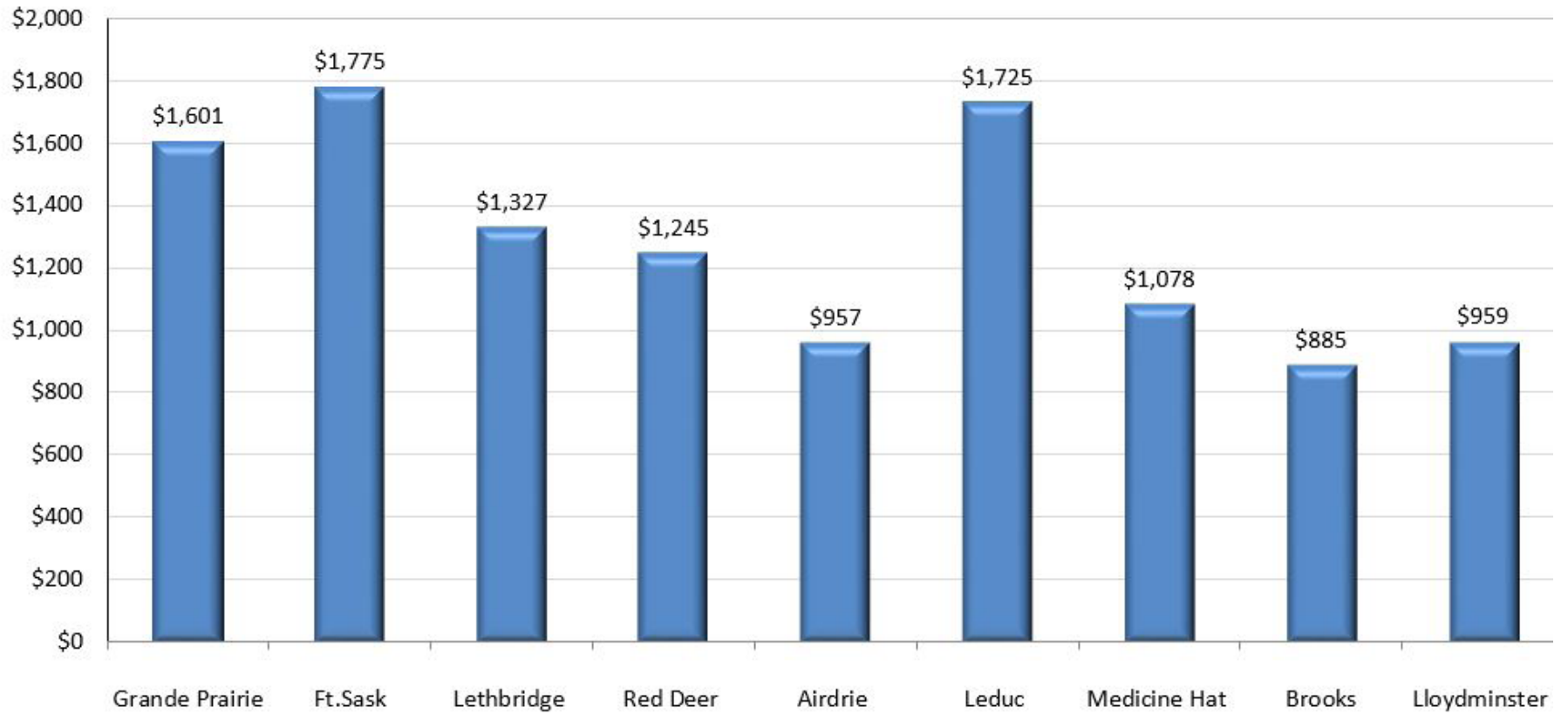
City expenses have risen 129% over the past 9-year period; in that same time frame, the Municipal Levy rose 99%. From 2007 to 2016, service levels have increased, however, the associated increase in expenses have not been consistently supported by a mill rate increase. Alternatively, the increase in expenses were supported by an increase in revenue sources, primarily utilities and land development, being used to fund general operations. Net new assessments were often met with mill rate reductions, creating artificially low tax rates.



MUNICIPAL MILL RATE COMPARISON

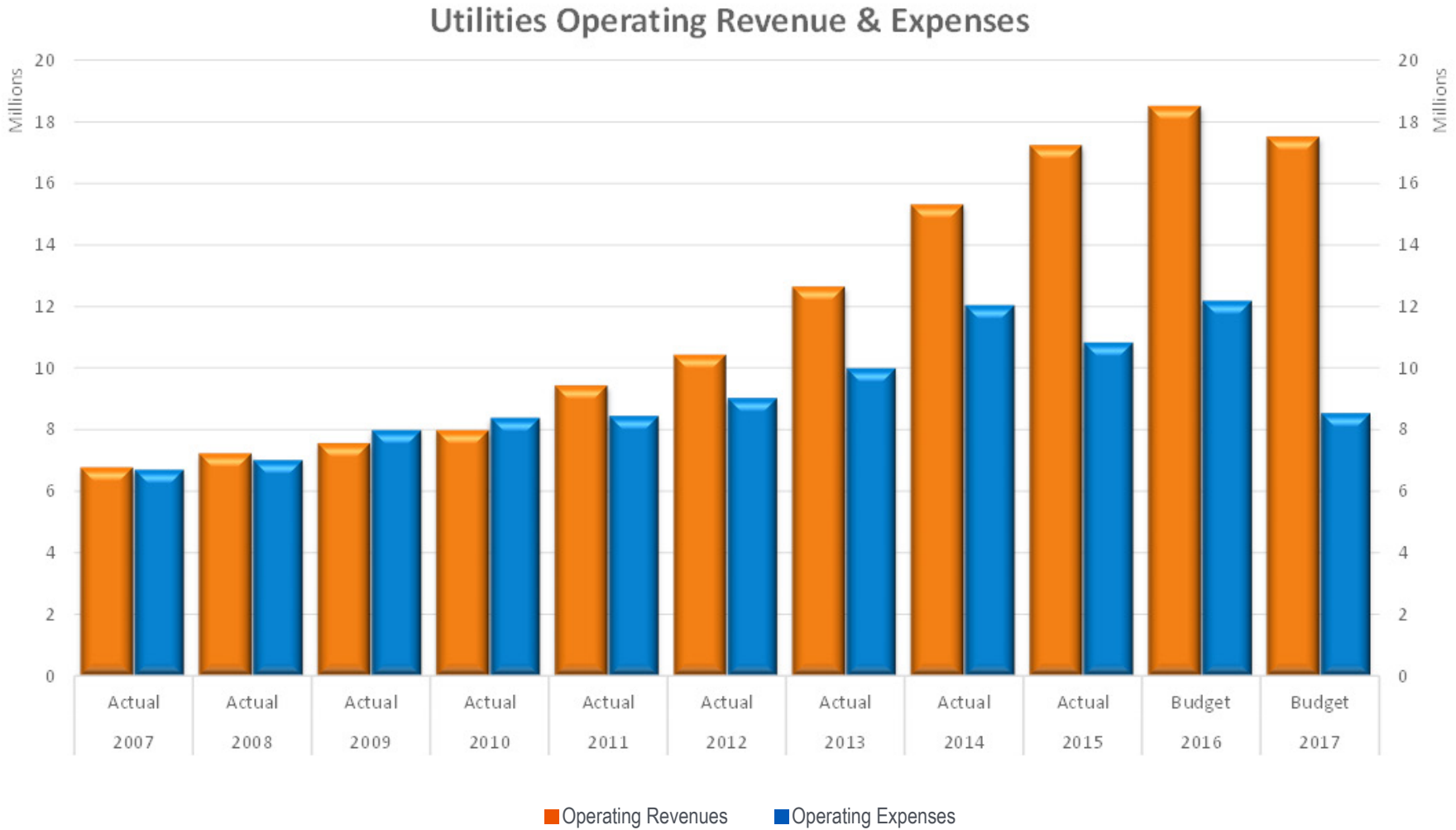


MUNICIPAL TAXES PER CAPITA 2016



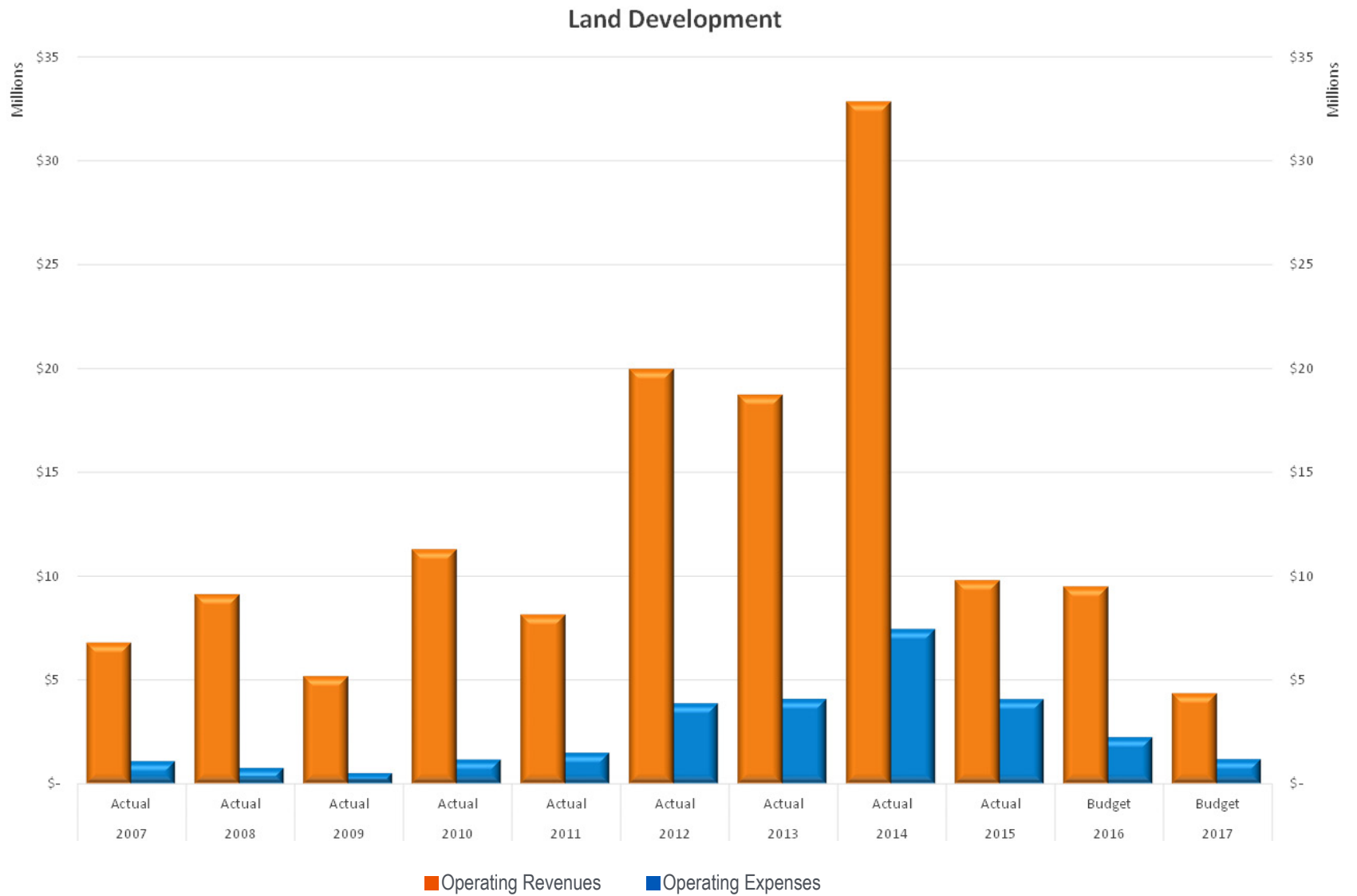
UTILITIES OPERATING REVENUE & EXPENSES

The graph above shows operating revenues and total operating expenses by year.

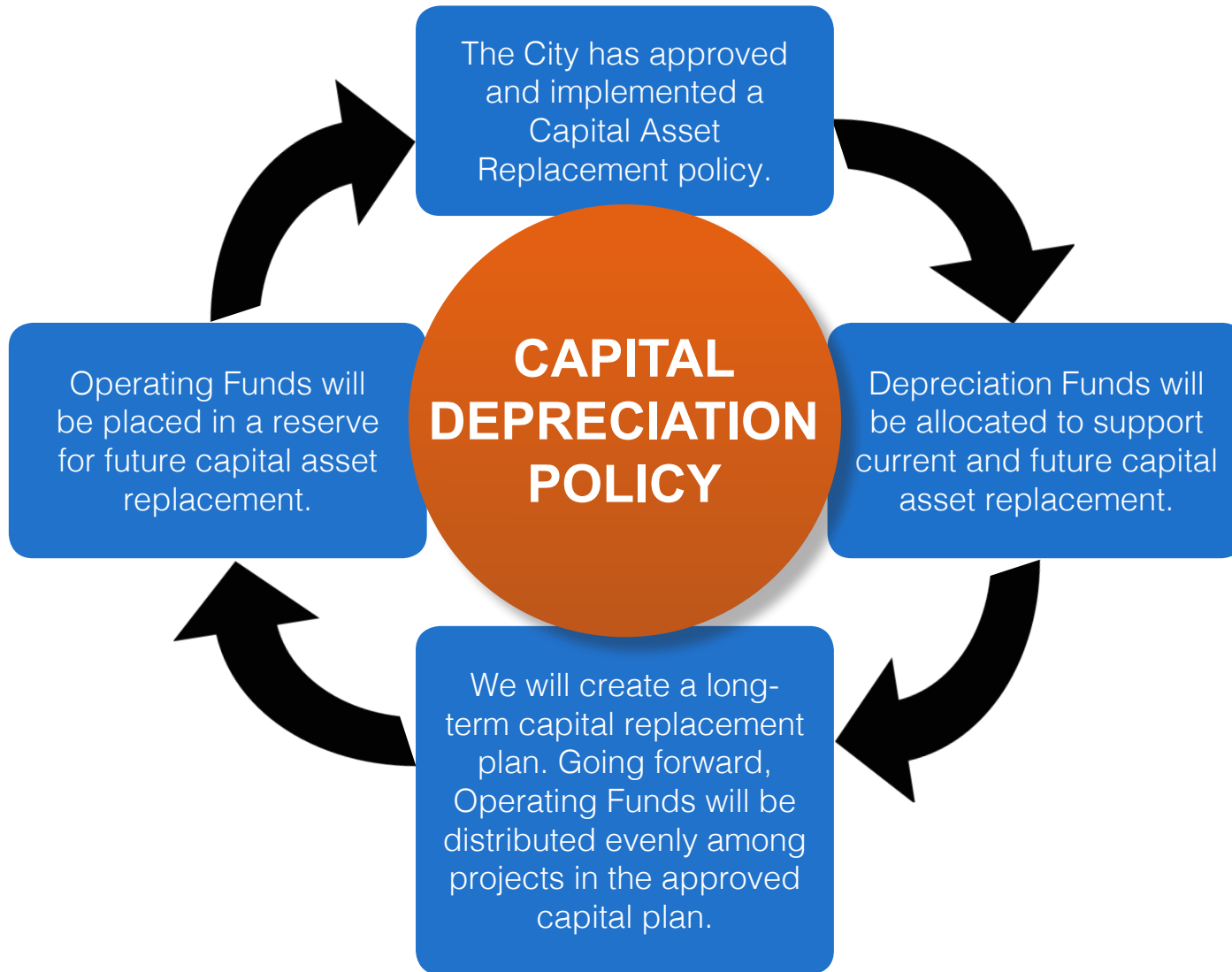


LAND DEVELOPMENT

The graph above shows operating revenues and total operating expenses by year.



Capital Asset Replacement Policy



**CAPITAL ASSET REPLACEMENT POLICY:
VALUE THROUGH DEPRECIATION**

Prior to 2009, municipalities were not required to record amortization expense. As municipalities acquired assets they would recognize the increase to their asset base in their financial statement. However the financial statements did not reflect the fact that the assets were losing value over time and would eventually need to be replaced. As this information was not contained within the financial statements, users of the financial statements did not realize the importance of planning for capital asset replacements. This issue is one factor that contributed to the infrastructure deficit municipalities face today. In 2009, PSAB mandated that municipalities start recognizing depreciation expense and accumulated amortization. This standard provided a way for municipalities to show financial statement users that their assets were aging and decreasing in value and that there needed to be more focus on how municipalities were going to fund capital asset replacements.



2009 Useful Lives Policy

Asset Classification	Useful Life (Years)
Land	n/a
Buildings	40
Engineering Structures	40
Machinery & Equipment	5

Issues with the previous policy:

- The useful lives in the policy did not reflect actual useful lives of our assets
- Annual depreciation expense did not accurately reflect the decrease in value
- Did not provide Administration with the information necessary for future capital planning.



NEW USEFUL LIVES POLICY

Asset Classification	Sub-classification	Useful Life (Years)
Land		n/a
Land Improvements	Landscaping & fences	25
	Playground structures	20
	Tennis courts & ball diamonds	7-15
	Trails & pathways	15-20
Buildings	Betterments	10-30
	Permanent structures	45
	Non-permanent structures	25
	Leasehold improvements	Term of lease
Engineering Structures	Airport runways	10-15
	Roadway systems	20-40
	Storm systems	35-75
	Water systems	20-75
	Wastewater systems	35-75
Machinery & Equipment	Airport	20-25
	Computer hardware & software	3-10
	Communication & audiovisual	7-15
	Fire & Public Safety	10-30
	Fitness	5-15
	Fleet & vehicles	5-15
	Facility & food	5-25
	Janitorial	4-10
	Office	15
	Tools & shop	3-10

Accrual and Cash Based Budgets

ACCRUAL BASED BUDGET	2016 BUDGET	2017 DRAFT 1 (OCTOBER)	2017 DRAFT 2 (NOVEMBER)	2017 FINAL DRAFT (JANUARY)
REVENUES				
Franchise Fees	\$4,950,508	\$5,281,957	\$5,281,957	\$5,281,957
Investment Income	\$105,900	\$230,900	\$230,900	\$230,900
Licenses and Permits	\$1,595,749	\$881,500	\$925,250	\$1,225,250
Operating Grants	\$4,002,767	\$3,910,839	\$3,853,839	\$3,776,839
Capital Grants	\$5,031,015	\$6,132,400	\$6,182,400	\$6,188,540
Fine Revenue	\$2,050,500	\$2,159,700	\$2,299,700	\$2,299,700
User Fees and Sale of Goods	\$10,012,258	\$10,116,943	\$10,272,571	\$10,280,571
<i>Operating Revenues (excluding land development and utilities)</i>	\$27,748,697	\$28,714,239	\$29,046,617	\$29,283,757
Utility (water and sewer)	\$18,519,354	\$17,523,186	\$17,523,186	\$17,523,186
Land Development Revenue	\$9,509,445	\$4,482,578	\$4,365,578	\$4,365,578
Storm Water User Fees	-	\$2,000,000	\$2,000,000	\$2,000,000
<i>Total Operating Revenues</i>	\$55,777,496	\$52,720,003	\$52,935,381	\$51,172,521
Municipal Levy	\$22,859,572	\$22,859,572	\$23,767,572	\$23,770,572
<i>Capital Levy*</i>	\$4,424,786	\$4,424,786	\$4,424,786	\$4,424,786
TOTAL REVENUE	\$83,061,854	\$80,004,361	\$81,127,739	\$81,367,879
EXPENSES				
Debt Payments - General	\$915,209	\$912,011	\$912,011	\$912,011
Operating Expenses	\$50,636,032	\$48,801,208	\$45,035,217	\$45,617,426
Transfers to City Funded Community Groups	\$2,235,158	\$1,610,158	\$1,490,158	\$1,298,158
Depreciation - General Operations	\$14,833,629	\$14,857,244	\$14,857,244	\$14,857,244
Reserve Transfers	-	-	-	-
GENERAL OPERATIONS EXPENSES AND TRANSFERS	\$68,620,028	\$66,180,621	\$62,294,630	\$62,684,839
Total Expenses - General Operations	\$68,620,028	\$66,180,621	\$62,294,630	\$62,684,839
Total Operating Expenses - Land Development	\$2,239,218	\$2,454,239	\$1,189,448	\$1,186,703
Total Depreciation - Land Development	\$9,804	\$10,055	\$10,055	\$10,055
Total Operating Expenses - Utilities	\$6,941,433	\$6,218,488	\$5,710,230	\$5,659,473
Total Storm Water Expenses	-	\$1,942,598	\$1,905,062	\$1,895,839
Total Depreciation - Utilities	\$5,251,371	\$5,293,136	\$5,293,136	\$5,293,136
TOTAL EXPENSES BY DIVISION	\$83,061,854	\$82,099,137	\$76,402,561	\$76,730,045
BUDGET SURPLUS (DEFICIT)	\$0	-\$2,094,776	\$4,725,178	\$4,637,834

* See commentary under Section 4.1. NOTE: Some values in this table were categorized differently than the accrual based revenue and expenditure report in [Appendix G](#)



CASH BASED BUDGET	2016 BUDGET	2017 DRAFT 1 (OCTOBER)	2017 DRAFT 2 (NOVEMBER)	2017 FINAL DRAFT (JANUARY)
CASH INFLOWS				
Operating				
Franchise Fees	\$4,950,508	\$5,281,957	\$5,281,957	\$5,281,957
Investment Income	\$105,900	\$230,900	\$230,900	\$230,900
Licenses and Permits	\$1,737,000	\$881,500	\$925,250	\$1,225,250
Operating Grant	\$4,305,840	\$3,910,839	\$3,853,839	\$3,776,839
Fine Revenue	\$2,057,500	\$2,159,700	\$2,299,700	\$2,299,700
User Fees and Sale of Goods	\$10,129,398	\$10,116,943	\$10,272,571	\$10,280,571
Utility Revenue (water & sewer)	\$18,519,354	\$17,523,186	\$17,523,186	\$17,523,186
Land Development Revenue	\$9,509,445	\$4,482,578	\$7,465,578	\$7,465,578
Storm Water User Fees	-	\$2,000,000	\$2,000,000	\$2,000,000
Municipal Levy	\$22,859,572	\$22,859,572	\$23,767,572	\$23,770,572
Capital Levy*	\$4,424,786	\$4,424,786	\$4,424,786	\$4,424,786
Total Operating Cash Inflows	\$78,599,303	\$73,871,961	\$78,045,339	\$78,279,339
Capital				
Capital Grants	\$5,031,015	\$6,132,400	\$6,182,400	\$6,188,540
Borrowing for Capital Projects	\$4,592,346	-	-	-
Total Capital Cash Inflows	\$9,623,361	\$6,132,400	\$6,182,400	\$6,188,540
Transfers				
Transfer from Capital Grant Reserves	-	\$82,350	\$1,161,978	\$1,337,410
Transfers from Capital Reserves	\$3,765,300	\$2,252,600	\$1,752,600	\$1,752,600
Reserve Transfers**	-	-	-	\$688,135
Total Cash Inflows from Transfers	\$3,765,300	\$2,334,950	\$2,914,578	\$3,778,145
TOTAL CASH INFLOWS	\$91,987,964	\$82,339,311	\$87,142,317	\$88,246,024
CASH OUTFLOWS				
Operating				
Debt Payments - General	\$915,209	\$912,011	\$912,011	\$912,011
Debt Principle Payments	\$1,662,407	\$2,288,774	\$2,288,774	\$2,282,500
General Operations Expenses	\$50,779,350	\$48,801,208	\$45,035,217	\$45,617,426
Inventory Purchases & Not Resold by December 31, 2017	-	-	\$100,000	\$100,000
Transfers to 3 rd Party Community Groups	\$2,235,158	\$1,610,158	\$1,490,158	\$1,298,158
Total Expenses - Land Development	\$2,239,218	\$2,454,239	\$1,189,448	\$1,186,703
Total Expenses - Utilities (water & sewer)	\$6,941,433	\$6,218,488	\$5,710,230	\$5,659,473
Total Storm Water Expenses	-	\$1,942,598	\$1,905,062	\$1,895,839
Total Operating Cash Outflows	\$64,773,044	\$64,227,476	\$58,630,900	\$58,952,110
Capital				
Total Capital Expenditures	\$26,075,012	\$20,154,190	\$21,679,250	\$21,815,822
Transfers				
Transfer to Reserves (Capital)	\$1,150,018	\$2,252,600	\$2,237,439	\$2,237,439
Transfers to Capital Asset Replacement Reserve	-	\$5,684,821	\$5,154,321	\$5,205,584
Total Cash Outflows to Transfers	\$1,150,018	\$7,937,421	\$7,391,760	\$7,443,023
TOTAL CASH OUTFLOWS	\$91,998,074	\$92,319,087	\$87,701,910	\$88,210,955
TOTAL CASH SURPLUS (DEFICIT)	-\$10,110	-\$9,979,776	-\$559,593	\$35,069

* See commentary under Section 4.1. ** Internal operating transfer from a reserve. NOTES: Any discrepancies are the result of rounding.

Revenue and Expenditure Report

	2017 FINAL BUDGET	2016 BUDGET	VARIANCE	%
REVENUES				
Net Municipal Taxes	\$28,503,915	\$27,139,358	\$1,364,557	5%
User Fees and Sales of Goods	\$33,899,028	\$38,108,984	-\$4,209,956	-11.0%
Government Transfers	\$9,792,379	\$9,033,782	\$758,597	8.4%
Investment Income	\$230,900	\$105,900	\$125,000	118.0%
Penalties and Costs of Taxes	\$2,294,700	\$2,050,500	\$244,200	11.9%
Development Levies	-	-	-	0.0%
Licenses and Permits	\$6,476,957	\$6,546,258	-\$69,301	-1.1%
Proceeds from Disposal of Capital Assets	-	-	-	0.0%
Donations	\$1,000	-	\$1,000	0.0%
Other	\$24,000	\$77,073	-\$53,073	-68.9%
Inter-fund Transfer	-	-	-	0.0%
TOTAL	\$81,222,879	\$83,061,854	-\$1,838,975	-2.3%
EXPENDITURES				
Legislative	\$591,022	\$638,141	-\$47,119	-7.4%
Administration	\$8,285,923	\$8,659,285	-\$373,362	-4.3%
Bylaw Enforcement Policing	\$12,626,194	\$13,035,171	-\$408,977	-3.1%
Roads, Streets, Walks, Lighting	\$16,294,583	\$15,425,548	\$869,035	5.6%
Water Supply and Distribution	\$10,052,821	\$10,814,574	-\$761,753	-7.0%
Wastewater Treatment and Disposal	\$3,639,345	\$4,467,663	-\$828,318	-18.5%
Waste Management	\$3,091,765	\$3,253,285	-\$161,520	-5.0%
Family and Community Support	\$4,063,202	\$4,654,473	-\$591,271	-12.7%
Land Use Planning, Zoning and Development	\$1,543,416	\$2,720,057	-\$1,176,641	-43.3%
Subdivision Land Development	\$1,111,642	\$2,028,300	-\$916,658	-45.2%
Parks and Recreation	\$13,327,051	\$15,379,626	-\$2,052,575	-13.3%
Culture	\$1,958,081	\$1,985,733	-\$27,652	-1.4%
Inter-fund Transfer	-	-	-	-
TOTAL	\$76,585,045	\$83,061,854	-\$6,476,810	-7.9%
BUDGET SURPLUS (DEFICIT)	\$4,637,834	\$0	\$4,637,834	

NOTES: This table is based on the "Accrual Based Budget." Some values in this table were categorized differently than the "Accrual Based Budget" in [Appendix F](#). Any discrepancies are the result of rounding.